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# Daily Report

# East Asia

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# Daily Report
## East Asia

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## 20 Government Officials Urge End to GATT Talks

*BK1902033191 Bangkok BANGKOK POST in English 19 Feb 91 p 19*

[Text] Officials from 20 governments have called for a speedy agreement at multilateral trade talks and economic assistance for developing Asian-Pacific countries most affected by the Gulf war.

A report adopted last Friday in Bangkok at the 27th biennial session of the Economic and Social Commission for Asia and the Pacific's [ESCAP] Trade Committee urged all signatory parties to the General Agreement on Tariffs and Trade to reach an early conclusion to the Uruguay Round.

The five-day meeting which began on February 11 discussed the effects of the Gulf war and the breakdown in multilateral trade negotiations on the region's developing countries.

"The ESCAP countries have continued to liberalise their trade regimes to improve market access, reduce tariff and non-tariff barriers and adopt a more outward-looking policy," it said.

The committee called on major developed countries to do likewise by adopting a more liberal import policy.

Developing Asian-Pacific economies, especially the region's least-developed countries, will suffer severely from the lack of agreement at the multilateral talks, according to the report.

"If the Uruguay Round were not to conclude successfully," world trade would be threatened by widespread protectionism and the emergence of trading blocs.

The report said the Gulf war had imposed a heavy financial burden on the region's oil-importing countries as well as huge losses in income from workers' remittances. An additional $20 billion was spent on higher oil prices from August to mid-January.

The expected increase in commodity prices, which could compensate from higher oil bills, did not materialise, it said.

The current-account deficit of the region's developing countries might rise from $25 billion to $50 billion in 1990, it noted.

To help soften the adverse impact of the war, the committee called on ESCAP to seek international support to provide assistance to the affected developing countries of the region.

Participants at the meeting came from Australia, Bangladesh, China, Fiji, France, India, Indonesia, Iran, Japan, Malaysia, Burma, Nepal, Pakistan, the Philippines, South Korea, Sri Lanka, Thailand, the Soviet Union, the United States and Vietnam.

## Officials on Cambodian Reconstruction Initiative

*BK2202085091 Hong Kong AFP in English 0734 GMT 22 Feb 91*

[By Charles-Antoine de Nerciat]

[Text] Bangkok, Feb 22 (AFP)—A Thai proposal for reconstructing war-torn Cambodia ahead of a political solution could derail already shaky international efforts towards a settlement, Western diplomats said here Friday.

Prime Minister Chatchai Chunhawan's initiative poses a risk that the Phnom Penh government will move further away from a U.N. settlement plan, said the diplomats, who are familiar with the peace process.

Phnom Penh has warmly welcomed the proposal, which calls for the setting up of a working group by Cambodia's warring factions coupled with reconstruction funding from Japan.

Its adversaries in a Khmer Rouge-dominated guerrilla coalition have said the plan could be implemented only within the framework of the peace blueprint put forward by the five permanent members of the U.N. Security Council, often called "P-5" for short. These include China, which supports the Marxist Khmer Rouge. The United States, which aids the two smaller non-communist resistance factions. The Soviet Union, Hanoi's and Phnom Penh's ally, as well as Britain and France.

"The P-5 plan is so close to collapse that something like this could contribute to the collapse," one diplomat said, in a reference to continuing differences among the warring Cambodian factions.

According to diplomats, Thai officials maintain that Mr. Chatchai's proposal, which includes rebuilding of Cambodia's rail system, roads, airports and electrical facilities, was consistent with the U.N. plan as such reconstruction efforts would benefit the world body's peace mission in Cambodia. But the diplomats said the proposal, if implemented, would effectively result in assistance given to Phnom Penh and even de facto recognition of the regime installed 12 years ago in Cambodia after Vietnam invaded its southwestern neighbour to topple the Khmer Rouge. Seen in that light, "It amounts to a disincentive for Phnom Penh to settle," one said.

The Khmer Rouge and its coalition partners fully back the U.N. blueprint for peace, while Phnom Penh has accepted most of its terms but refused to allow the dismantling of the current Cambodian Government and demobilisation of its armed forces.

Phnom Penh accuses the guerrillas of being set on a return to power of the Khmer Rouge, despite the killings of hundreds of thousands of Cambodian civilians when the faction was in power between 1975 and 1979, and holds that it is the only force able to avert the repetition of such "genocide."

Some diplomats were doubtful whether Japan is really prepared to underwrite Mr. Chatchai's initiative. According to one, Japan, which has sent a senior diplomat from its Bangkok embassy to Phnom Penh for peace talks with the Cambodian leadership, might even feel embarrassed with the development.

Indonesia, another country closely involved in the peace process as a co-chair along with France of an international peace conference on Cambodia, was reported by the sources to have been taken aback by Bangkok's initiative.

Indonesia and France have spearheaded the latest moves in the peace process, attempting to patch up continuing differences among the factions and to bring Phnom Penh closer to full acceptance of the U.N. plan. Diplomats also questioned the feasibility of Mr. Chatchai's proposal with hostilities continuing in Cambodia.

"How could it work while a war is going on and roads are, for instance, being blown up?" one asked.

"For that matter, should roads be repaired at this point to be used by Khmer Rouge tanks?" he added, in a reference to reports that China's massive military assistance to the Khmer Rouge has recently included tanks.

## Japan

### Reaction to Soviet, Iraqi Gulf Peace Plan

#### Foreign Minister Comments

*OW2202031491 Tokyo NHK General Television Network in Japanese 0159 GMT 22 Feb 91*

[Report on Foreign Minister Taro Nakayama's reaction to the Soviet-Iraqi peace plan by an unidentified NHK correspondent at the Foreign Ministry on 22 February—recorded]

[Text] U.S. spokesman Marlin Fitzwater failed to make any definite comments on the agreement at a news conference. Meanwhile, Foreign Minister Nakayama made fairly definite comments on the details of the agreement at a news conference following the cabinet meeting. I would like to report on his comments now.

Foreign Minister Nakayama stated that the plan does reflect Iraq's intention to withdraw completely and unconditionally. Foreign Minister Nakayama noted, however, that one of the most important issues is that no definite time frame has been set for a complete withdrawal. He also brought up another point: The plan stipulates that the UN resolutions will be implemented following the withdrawal. In that case, it is feared that the legitimate Kuwaiti Government may not be allowed to return. These are the two points he highlighted. In this connection, the Japanese Government strongly believes that talks will be held so that the UN resolutions will be fully implemented.

At present, the Japanese Government does not welcome this peace plan. Therefore, Foreign Minister Nakayama says that the Japanese Government is in touch with the countries concerned, including the United States. None of these nations, however, has taken a clear-cut position, saying that they are still studying the details of the plan. Foreign Minister Nakayama stated at the news conference that Japan would monitor the moves of the Soviet Union and Iraq all day today and then decide on measures to be taken.

This report has come to you from the Foreign Ministry.

#### Kaifu Voices 'Reservations'

*OW2202041791 Tokyo KYODO in English 0351 GMT 22 Feb 91*

[Text] Tokyo, Feb. 22 KYODO—Prime Minister Toshiki Kaifu said Friday he is continuing to appraise the "true intentions" of the Soviet peace plan accepted by Iraq, and reiterated Japan's support for an unconditional Iraqi withdrawal from Kuwait.

Kaifu told his cabinet after a regular meeting he was disappointed by Iraqi President Saddam Husayn's radio speech broadcast Thursday, Chief Cabinet Secretary Misoji Sakamoto told a news conference. In that speech, Saddam Husayn declared that his army was ready to continue fighting.

But Kaifu noted that the "tone" of the agreement with Moscow, which calls for a full and unconditional withdrawal from Kuwait, was different, Sakamoto said.

Cabinet sources said that Kaifu expressed reservations over two points in the agreement, the lifting of economic sanctions after two-thirds of Iraq's troops have left Kuwait, and the annulment of the 12 United Nations resolutions after the withdrawal has been completed.

Sakamoto told reporters that Japan is "neither optimistic or pessimistic. We have only just heard the (plan) so we want to study it," he said.

Sakamoto said that there is no change in Kaifu's plan to dispatch Deputy Foreign Minister Koji Watanabe to the Middle East to discuss peace moves and plans for postwar reconstruction.

Foreign Minister Taro Nakayama also expressed caution, saying in a statement that the full substance of the Soviet-Iraq agreement must be examined.

The statement said there appear to be many inconsistencies between the agreement and the contents of Saddam Husayn's aggressive live radio address, made only hours earlier, in which the Iraqi leader made no mention of either the United Nations resolutions or the Soviet proposal.

A Soviet press official announced the eight-point Soviet-Iraqi agreement, which arose from a meeting between Soviet President Mikhail Gorbachev and Iraqi Foreign Minister Tariq 'Aziz, on Iraq's withdrawal from the oil-rich emirate, which it invaded and annexed last August.

But Nakayama reiterated that the key to peace in the crisis lies in Iraq obeying the relevant United Nations Security Council resolutions and pulling out of Kuwait.

#### Kaifu Criticizes Provisions

*OW2202130391 Tokyo KYODO in English 1248 GMT 22 Feb 91*

[Text] Tokyo, Feb. 22 KYODO—Japan on Friday sided with the United States in finding flaw with the peace plan worked out between the Soviet Union and Iraq, saying the "unconditional withdrawal" accepted by Iraq is actually coupled with conditions.

The Soviet peace plan "calls for unconditional withdrawal (from Kuwait) but there are conditions attached to it. This is conditional withdrawal," Kaifu said in a speech before a gathering of automobile retailers.

Kaifu also cast doubt on other provisions of the peace plan announced Thursday by Moscow following a meeting between Soviet President Mikhail Gorbachev and Iraqi Foreign Minister Tariq 'Aziz.

Citing the provision in the peace plan that calls for nullifying U.N. resolutions following Iraq's withdrawal, Kaifu said the peace plan "does not address the fact that Iraq has committed aggression, nor the legitimate Government of Kuwait."

Kaifu's remarks contrasted with a tentative welcome he extended to the peace plan earlier in the day. Kaifu had said the agreement marked "some measure of progress" in a statement to parliament earlier in the day.

Kaifu's critical stand on the agreement came after the White House reportedly called the peace plan unacceptable.

Meanwhile, Foreign Ministry Spokesman Taizo Watanabe said Japan sees the Soviet plan not as an "agreement" but rather as an "ongoing initiative." Japan is "closely watching" the response of the U.S. and other nations on the peace plan, Watanabe said. "We have yet to either welcome or oppose the Soviet announcement," he said. One reason for the cautious stand is that it was Moscow, and not Baghdad, which actually conveyed Iraq's acceptance of a pullout from Kuwait.

Government sources expressed the belief that the Soviet plan would need much discussion and time to be implemented as it fails to specify the procedures for the actual Iraqi pullout. They also questioned the reported Iraqi demand that third party troops be used to monitor the withdrawal, saying it would be difficult to decide who would actually supervise the pullout.

### Finance Ministry To Maintain Policy

*OW2202122191 Tokyo KYODO in English 1111 GMT 22 Feb 91*

[Text] Tokyo, Feb. 22 KYODO—The Finance Ministry will not change financial policy even when the Persian Gulf war is settled, a ranking ministry official said Friday. The official, who asked not to be named, said the nation's economy is still growing, led by brisk domestic demand. "At this point it (settlement of the war) won't result in any necessity for the ministry to change its economic and financial policies," he said.

Meanwhile, the Japanese industry welcomed the new developments in the Gulf, which it saw as suggesting a ceasefire may be expected in the near future.

Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren), said he is happy that signs of a settlement have appeared, with Iraq accepting the idea of unconditional withdrawal from Kuwait. The Japanese Government should play a key role in reconstruction and the creation of a new order in the Middle East, he added.

### Gulf Settlement To Boost Economy

*OW2202122291 Tokyo KYODO in English 1030 GMT 22 Feb 91*

[Text] Tokyo, Feb. 22 KYODO—The Bank of Japan said Friday settlement of the Persian Gulf war would probably push up Japan's economy by stimulating corporate investment and consumer spending.

In a February report on the financial and economic situation, the central bank said the nation's economy is still on an expansionary track supported by continuously bullish private-sector capital investment and active consumer spending, although the pace is slowing down somewhat.

Since last fall, the number of new car registrations and sales at department stores have been declining gradually, but personal spending has still shown a trend of expansion backed by sound income, the central bank said.

There are other signs of economic slowdown, the central bank said, pointing that new housing starts showed two straight months of decline on a year-to-year basis in November and December, and new machinery orders fell 11.2 percent in December from a year earlier. But overall, the nation's economy is still sound, it said, adding there still are many backlogs of orders in the machinery sector, for example.

The pace of the slowdown of the nation's economy is in an expected range and the economy is still booming, the central bank reiterated.

### Business 'Bleak' If Saddam Stays

*OW2202130991 Tokyo KYODO in English 1229 GMT 22 Feb 91*

[Text] Tokyo, Feb. 22 KYODO—Japanese firms, ever concerned with the bottom line, predicted Friday that their postwar business prospects will be bleak if Iraqi leader Saddam Husayn remains in power.

The firms complained that they would not be able to resume their business activities in the Middle East immediately after the war if the current government remains intact.

Although they say they are keeping their eyes riveted for the U.S. response to Baghdad's acceptance of the Soviet-initiated peace plan, they have in fact begun examining postwar business prospects, business analysts said.

Trading houses and oil companies, which have been closely following developments surrounding the Soviet peace proposal late Thursday and Friday, have given it a cool reception.

"The situation won't change until the U.S. says 'yes' to the plan," said a spokesman for Nippon Oil Co., the nation's biggest petroluem company.

"The burning question is whether or not the U.S. is willing to accept an Iraq with Saddam Husayn in power," said an executive of a major trading house. The continuation of Saddam Husayn's grip on power would keep the situation in the Gulf extremely volatile, the executive said. "The country risks involved would prevent us from resuming business activities soon after the war with Iraq's neighboring countries," he said.

"Since we are conducting very active business negotiations, particularly in Southeast Asia, there is really no need for us to rush back into the Middle East," said an official with Chiyoda Corp., one of the nation's representative plant engineering concerns.

The firms contend that there will be no major change in the business environment in the Gulf region until the current Iraqi Government is gone.

However, the country's petroleum companies are not as worried about an Iraqi attack on oil fields in northern Saudi Arabia as they once were. "Now that we know that the Iraqi military does not have the capacity to launch such an assault, a peaceful solution to the crisis or the eruption of the conflict into a ground war is not of particular concern," said an official with Idemitsu Kosan Co.

## Meeting on Mideast Reconstruction Aid Expected

*OW2102140091 Tokyo KYODO in English 1324 GMT 21 Feb 91*

[Text] Tokyo, Feb. 21 KYODO—The United States, the European Community, Japan, and other interested countries are likely to meet soon to draw up a post-Gulf war reconstruction aid plan, a senior Japanese Government official said Thursday.

Commenting on U.S. Secretary of State James Baker's proposal for the establishment of a Middle East Reconstruction Bank to help finance the plan, the official at the Foreign Ministry, who wished to remain anonymous, said the proposed bank would not be able to extend necessary emergency aid to countries concerned since its creation would require more than a year.

The official said the proposed aid plan should cover humanitarian aid, economic aid for restoration of war-damaged facilities, and assistance in the establishment of a new Mideast security system. He said humanitarian aid should take the form of granting mainly food and medicine to Kuwait and Iraq immediately after the war. The proposed economic aid should cover assistance in the reconstruction of war-damaged roads, bridges, and buildings in Kuwait, the official said. Whether such facilities in Iraq should be included in the aid plan will depend on consultations among the countries involved, he said.

Aid for the establishment of a new security system should be extended to all Mideast countries, including Egypt, Jordan, and Syria, from a long-term perspective so that peace in the region can be maintained, the official said.

## Oil Firm To Send Technicians to Al-Khafji

*OW2202053591 Tokyo KYODO in English 0401 GMT 22 Feb 91*

[Text] Tokyo, Feb. 22 KYODO—Arabian Oil Co., Japan's largest oil producer, is considering sending its workers to its oil production complex in al-Khafji to prepare to resume operations halted by an Iraqi missile attack, company officials said Friday.

They said they would like to send the workers to the complex to investigate damage to the complex as soon as Iraq's withdrawal from Kuwait is verified. So far, one of the oil storage tanks is reported to have been damaged.

The workers will evaluate other possible damage incurred in a limited ground battle in al-Khafji between the allied and Iraqi forces on February 1.

Before the Gulf crisis, the complex, located in the Neutral Zone between Kuwait and Saudi Arabia, employed about 2,000 workers, including 130 Japanese people, producing 250,000 barrels of oil each day. It is Japan's largest oil production base overseas.

Iraq has proposed to withdraw unconditionally from Kuwait under the Soviet peace initiative, two days after a declared ceasefire in the Gulf.

## Defense Official Comments on Budget Reduction

*OW2102133791 Tokyo KYODO in English 1321 GMT 21 Feb 91*

[Text] Tokyo, Feb. 21 KYODO—Defense Agency Director General Yukihiko Ikeda indicated Thursday that a cut in fiscal 1991 defense spending to help finance Japan's 9 billion dollars in additional contribution to the multinational war effort against Iraq will not be restored the following year.

Ikeda told a House of Representatives budget committee session that the cut in fiscal 1991 spending will be reflected in the new five-year defense buildup program beginning in April, originally set at 22.75 trillion yen. He was responding to a question by Mikio Omi, a member of the No. 2 opposition party Komeito.

Only the previous day, the Defense Agency chief implied that the 100 billion yen reduction in fiscal 1991 defense outlays, planned as part of budgetary measures to raise the 9 billion dollars (1.19 trillion yen) in aid, might be restored the following fiscal year, saying that the reduction had no direct relation with the five-year defense buildup plan. The 70,347 billion yen budget for fiscal 1991, presented to the Diet in January, includes 4,387 billion yen for defense.

The government of Prime Minister Toshiki Kaifu decided to trim the defense spending to win Komeito's support in the Diet for a package of bills on the war contribution. Kaifu's Liberal Democratic Party has a majority in the House of Representatives, but Komeito holds the balance of power in the opposition-controlled House of Councilors.

Komeito had reacted strongly to Ikeda's remark on Monday. Ikeda said Thursday his earlier remarks had caused a "misunderstanding" and that he had not meant that the reduction would be restored. Chief Cabinet Secretary Misoji Sakamoto said the government will sincerely keep its promise.

### U.S.-Made Weapons Exempted From Defense Cuts

*OW2202082191 Tokyo KYODO in English 0756 GMT 22 Feb 91*

[Text] Tokyo, Feb. 22 KYODO—Japan will not sacrifice the expected procurement of U.S.-made arms in cutting the fiscal 1991 defense budget to help finance 9 billion dollars in cash aid to multinational forces fighting Iraq, a Foreign Ministry spokesman said Friday.

Spokesman Taizo Watanabe told a press conference that the framework of Japan's five-year defense program will not be changed, despite next fiscal year's defense spending reduction.

The Japanese Government has decided on a 100 billion yen defense budget cut to help finance 9 billion dollars (about 1,170 billion yen) in aid to the allied forces.

Noting Japan's expected procurement from the United States of four AWACS planes worth 120 billion yen, two Aegis-system vessels for 280 billion yen, and multiple rocket launching systems for 50 billion yen, Watanabe said none of the purchases would be affected.

Asked how much of the 9 billion dollars pledged will not go to the United States if the war in the Persian Gulf ends very soon, Watanabe said the "predominant part" of the sum is to go to Washington, but said it all hinges on when the war ends.

Asked about the government plan to fly Japanese military transport aircraft to the Middle East on refugee evacuation missions, Watanabe said the government has decided in principle where to fly and in which nations to refuel, but refused to elaborate. He said the planes are now standing by, awaiting request from the International Organization for Migration (IOM).

Asked if Japan will send the aircraft even if the war ends very soon, Watanabe denied the refugee evacuation mission is directly related to the timing of the possible ceasefire. He said previous information from the IOM said tens of thousands of refugees were expected to leave Iraq but the actual number remains low.

### Sources Reveal Plans To Curb Chemical Exports

*OW2202065991 Tokyo KYODO in English 0600 GMT 22 Feb 91*

[Text] Tokyo, Feb. 22 KYODO—A group of 20 countries is set to restrict exports of production facilities for fertilizers, dyes, and pesticides amid mounting concern about possible use of chemical weapons in the Persian Gulf war, Japanese Government sources said Friday.

The so-called Australia Group, whose members include the United States, France, Germany, Britain, Australia, and Japan, is to agree on the new restrictions in the forum's next meeting in May, the sources said.

The group currently restricts exports by its members of 14 kinds of materials directly used for producing deadly gases, and puts 36 other items, which could be processed into chemical weapons, on the "warning list" to the industries concerned.

Production plants for fertilizers, dyeing substances, and pesticides can easily be turned to making toxic gases by adding related technologies in the manufacturing process, the sources said.

The group is also set to limit trade in machinery and related technology, such as corrosion-resistant metal pipes and distillation devices, according to the sources.

Fermentation equipment and devices that could be used for gene recombination experiments, as well as some types of centrifugal separators, would also be restricted, the sources said.

Japan has set up guidelines parallel to the group's restrictions but the sources said the government may move to upgrade the limits into legislation following the forum's expected May agreement.

### Persian Gulf War Games Software Discouraged

*OW2202121991 Tokyo KYODO in English 1113 GMT 22 Feb 91*

[Text] Tokyo, Feb. 22 KYODO—The Japan Personal Computer Association (JPCA) said Friday it has informed its 400 member companies to refrain from aggressively marketing computer software games which simulate strategies and battles in the Persian Gulf war.

Association officials said that each member should consider carefully at this time the international implications of launching aggressive sales campaigns for games relating to the conflict in the Middle East. Recently, software developers have been introducing computer game software which simulates battles in the Persian Gulf region, the officials said.

Last December, when Ascii Corp., a major Japanese software house, introduced a software game based on a possible Persian Gulf war in one of its publications, the Ministry of International Trade and Industry warned the company to tone down its marketing of the game.

## Oil Pump Flaw Shuts Down Nuclear Reactor

*OW2102133491 Tokyo KYODO in English 1128 GMT 21 Feb 91*

[Text] Niigata, Feb. 21 KYODO—A nuclear reactor in central Japan facing the Sea of Japan came to an automatic halt Thursday when pressure suddenly fell in an oil pump that lubricates the plant's turbine, Tokyo Electric Power Co. said. No radioactivity leaked in the incident at the No. 2 reactor at the Kariwa nuclear power complex in Kashiwazaki, Niigata Prefecture, and the reactor itself was not affected, company officials said.

The reactor shut down about 12 minutes after an alarm signaled a drop in oil pressure in the pump at 6:12 A.M., the officials said. The pressure dropped to 7.4 kilograms per square centimeter from the normal 14 kilograms, forcing the turbine to automatically stop to prevent it from overheating. This was followed by an automatic shutdown of the reactor to prevent pressure there from rising. Officials said they are trying to determine what went wrong with the pump.

This was the first shutdown at the 1.1 million kilowatt boiling water reactor, which went into commercial operation in September last year. The trouble-stricken reactor is one of three reactors now in operation at the Kariwa nuclear power complex. Two more are now under construction, with yet another two under consideration. If all seven reactors are built, the complex would produce a total of 8.212 million kilowatts of electricity.

There have been about 30 shutdowns of boiling water type reactors in Japan due to problems in the turbine system, according to the Natural Resources and Energy Agency, affiliated with the Ministry of International Trade and Industry.

## Transport Ministry Evaluates Aeroflot Request

*OW2102173091 Tokyo KYODO in English 1450 GMT 21 Feb 91*

[Text] Tokyo, Feb. 21 KYODO—The Soviet airline Aeroflot on Thursday filed for permission to fly a chartered Ilyushin 62 from Moscow to Chitose Airport in Hokkaido to carry a 130-member Soviet delegation to the Universiade Winter Games scheduled March 2-10 in Sapporo.

The Japanese Transport Ministry is expected to approve the application, probably Friday, since the Defense Agency, which previously refused for security reasons to let Soviet planes fly into Chitose Airport, has agreed.

According to the application, the Soviet plane is due to arrive at Chitose Airport on Thursday afternoon next week via the Siberian city of Khabarovsk.

It is expected to fly over Niigata since the Defense Agency will not permit the Soviet aircraft to pass through the Air Self-Defense Force's training area in the Sea of Japan off Hokkaido.

The Japanese Government, citing security reasons, has so far refused to allow Soviet aircraft to fly to any Hokkaido airport other than Hakodate, although it is expected to make an exception for the Universiade, an international sports event.

The government has also taken a negative posture toward a proposal by Hokkaido and other interests to launch airline services between Hokkaido and the Soviet Far East or Sakhalin.

### Temporary Charter Flights Permitted

*OW2202084191 Tokyo KYODO in English 0804 GMT 22 Feb 91*

[Text] Tokyo, Feb. 22 KYODO—The Ministry of Transport on Friday gave the Soviet airline Aeroflot permission to operate a charter flight service between Moscow and Sapporo, Hokkaido, next month, according to ministry officials.

Officials said the ministry approved the charter flight to allow Aeroflot to carry participants to an international student ski competition to be held in Sapporo at the end of March.

A total of 132 Soviet students will arrive in Sapporo on February 28 and depart for Moscow on March 11, the officials said.

The charter service will be discontinued after the ski competition, they said.

## USSR Seeks Help in Improving Distribution

*OW2102131791 Tokyo KYODO in English 1254 GMT 21 Feb 91*

[Text] Tokyo, Feb. 21 KYODO—The Soviet Union is seeking Japanese help in streamlining its inefficient distribution system, a major impediment to the country's transformation into a market-oriented economy, the Ministry of International Trade and Industry (MITI) said in a report Thursday.

The report, compiled by a ministry economic mission that visited the Soviet Union early this month, said the Soviets asked Japan to train Soviets in distribution and set up a model joint project utilizing a modern distribution system. The ministry plans to use the report in drafting proposals for the government's planned "intellectual aid" package to Moscow, to be drawn up before Soviet President Mikhail Gorbachev's planned visit to Japan in April.

The mission, headed by Yoshihiro Tajima, an economics professor at Gakushuin University, visited Moscow and Leningrad on February 2-10 to discuss the Soviet distribution problems, which have caused a severe shortage of food and other products on the market.

The Soviet officials told the Japanese mission that they are striving to push ahead with economic reform by nurturing privately owned small- to medium-sized distributors and deregulating prices, the report said. But their efforts have done more harm than good, resulting only in empty shelves and higher prices, it said.

In light of these problems, the Japanese representatives advised the Soviet officials to foster competition, not only among distributors but also among producers, so that the price deregulation can work properly.

## Poll Says Soviet Experts Favor Islands' Return

*OW2202020991 Tokyo KYODO in English 0138 GMT 22 Feb 91*

[Text] Tokyo, Feb. 22 KYODO—In contrast to the official Soviet Government position, opposing the return of four disputed islands off Hokkaido to Japan, 43 percent of Japan experts in the Soviet Union approve of the restoration of Japanese sovereignty on two or more of the islands, a Japan-Soviet joint survey showed Friday.

According to the major newspaper YOMIURI SHIMBUN, 14 percent of the 100 Soviet experts on Japanese affairs surveyed support the return of all the four islands—Kunashiri, Etorofu, Shikotan, and the Habomai Islet group. The four islands were seized by the Soviets at the end of World War II.

Among the experts, 27 endorsed the idea of first returning Shikotan and Hobomai when a peace treaty is concluded, and then discussing the return of Kunashiri and Etorofu in line with the 1956 Japan-Soviet Joint Declaration. Two experts said that only Shikotan and Habomai should be returned to Japan.

Japan has stated that the simultaneous return of the four islands is a prerequisite for the conclusion of a peace treaty and the establishment of comprehensive bilateral relations.

Meanwhile, only 17 percent of the experts said that none of the four islands should be returned to Japan.

The YOMIURI SHIMBUN and the Soviet news agency NOVOSTI interviewed 100 Japan experts, including six Soviet Foreign Ministry officials and eight other officials, in December. All of them are directly or indirectly involved in work related to Japan.

Japan anticipates a breakthrough in the territorial dispute when Soviet President Mikhail Gorbachev visits Japan in mid April.

## Firm Refutes PRAVDA Software Swindle Charge

*OW2202113591 Tokyo KYODO in English 0940 GMT 22 Feb 91*

[Text] Tokyo, Feb. 22 KYODO—Ascii Corp., a leading Japanese computer software house, on Friday sent a letter to the Soviet Communist Party organ PRAVDA protesting accusations of piracy of Soviet software, company officials said.

In its February 14th issue, PRAVDA charged that Ascii and the trading company Shinjidaisha Corp., that jointly held a computer software contest in Moscow last December, "fraudulently acquired 800 computer programs" during examination of the entries.

Terming the article "mean-spirited," "xenophobic," and "hysterical," Ascii President Kazuhiko Nishi said in the letter that the PRAVDA accusation has damaged the company's worldwide image without factual basis.

Ascii was "shocked and disappointed," since the contest was well-intentioned to contribute to Soviet-Japan business ties, he said. The Soviet State Committee for Public Education granted approval for the contest, while the computer technology education and labor center and many other Soviet organizations took part in it.

Contrary to the PRAVDA accusation that Ascii took advantage of Soviet participants "by obtaining their software programs for unreasonably cheap prices," Ascii was awarding royalties to the 23 prize winners whose entries it viewed as suitable for commercial production, he said.

Contending that such contests were common in Japan and other industrial countries, Nishi said, "the fact that the Soviet Union's economic system is under transformation and facing difficulties may be a factor in arousing suspicion against any unfamiliar phenomena, such as directly rewarding individuals, rather than the state institutions, for their creativity."

The letter, sent to PRAVDA's editor in chief, Ivan Timofevich Frolov, requested a correction of the article and an apology from the paper.

"In keeping with its name, (which means 'truth' in Russian), we trust that PRAVDA will provide the truth to its vast number of readers by printing this correction," he said.

## DPRK Party Official Continues Visit to Tokyo

### Optimistic on Diplomatic Ties

*OW2102143891 Tokyo KYODO in English 1406 GMT 21 Feb 91*

[Text] Tokyo, Feb. 21 KYODO—Senior North Korean ruling party official Kim Yong-sun expressed optimism Thursday that negotiations to establish diplomatic relations with Japan, which began last month, will proceed smoothly.

"There are some reports that the negotiations are facing difficulties, but I disagree," Kim, secretary of the Korean Workers' Party (KWP), told former Finance Minister Kiichi Miyazawa, an LDP [Liberal Democratic Party] source said.

"The anchor has already been lifted. It is important that we realize the wishes of the people with sincerity," Kim was quoted as saying.

But Kim, a close aide to North Korean President Kim Il-song, did not indicate how the two countries might pave over differences the two governments face over Pyongyang's refusal to allow international inspection of its nuclear facilities, and Japan's reluctance to pay compensation for postwar "damages."

Miyazawa, leader of the LDP's third largest faction, urged North Korea to hold talks with the United States on allowing the International Atomic Energy Agency (IAEA) to inspect its nuclear power facilities to ensure they are not being used to acquire a nuclear arsenal.

"Improved relations between the United States and North Korea would benefit Japan-North Korean relations," Miyazawa was quoted as saying.

Kim, head of a visiting KWP delegation, did not directly respond, but said his country is threatened by U.S. nuclear weapons stationed in South Korea. "The only purpose for the nuclear weapons installed in South (Korea) is for use against us," he said. The United States refuses to confirm or deny whether it has nuclear weapons in any specific location.

Later, Kim told a news conference that Pyongyang has no desire to manufacture nuclear weapons and is making no efforts to do so. North Korea ratified the treaty on the nonproliferation of nuclear weapons in 1985, but has not permitted the IAEA to conduct inspections as required by the treaty.

When asked by reporters about postwar compensation payments, Kim paraphrased former Deputy Prime Minister Shin Kanemaru, who said the postwar money should be considered as interest on reparations for Japan's colonial rule, which have yet to be paid.

"As Mr. Kanemaru has said, such a long time has already passed since the payments should have been made," Kim told a news conference at the Japan National Press Club.

Last fall, Kanemaru, representing the LDP, pledged in a three-way declaration issued with the Social Democratic Party (SDP), formerly the Japan Socialist Party, and the KWP that Japan owes compensation for the postwar years, as well as for its 1910-1945 colonial rule of the Korean peninsula. The Japanese Government has rejected this position.

Kim called for government recognition of the agreement. "We ought to be able to satisfactorily resolve this in government negotiations," he said.

Japan agreed to provide 500 million dollars in economic aid to South Korea in 1965 when the two countries normalized relations. Tokyo has never recognized North Korea, which has been in a bitter standoff with the South ever since the 1950-53 Korean War.

Kim, here at the invitation of the LDP and the SDP, is to meet Prime Minister and LDP President Toshiki Kaifu, SDP Chairwoman Takako Doi, and other party leaders. The 35-member delegation is scheduled to travel to western Japan, home to many of Japan's ethnic Korean residents, before wrapping up its weeklong visit next Wednesday.

### Meets With Foreign Minister

*OW2102145091 Tokyo KYODO in English 1432 GMT 21 Feb 91*

[Text] Tokyo, Feb. 21 KYODO—Despite reiterating that inter-Korean talks are impossible while joint U.S.-South Korean military maneuvers are held, a visiting North Korean party official said on Thursday that Pyongyang will keep trying to make the ongoing talks successful.

Kim Yong-sun, secretary of North Korea's ruling Korea Workers Party, told Foreign Minister Taro Nakayama that Pyongyang "wants to continue efforts in order to succeed in dialogue between the North and South," ministry officials said. "How can we proceed with dialogue amid the smell of gunpowder and attempt to bring about peace on the divided peninsula?" Kim was quoted as saying.

Nakayama said he regretted North Korea's cancellation of the scheduled fourth inter-Korean prime ministers talks because of the "Team Spirit" maneuvers. Nakayama also urged North Korea to ratify agreement with the International Atomic Energy Agency (IAEA) to accept inspections of the country's nuclear fuel facilities, the officials said.

Kim, a close aide to North Korean President Kim Il-song, was quoted as saying his country is considering various ways to tackle the issue. But he stressed that South Korea, which he said has nuclear weapons in its territory in addition to U.S. troops, must simultaneously allow international nuclear inspections, the officials said.

Kim urged Nakayama to convey to both South Korea and the United States the North's continued quest to make the Korean peninsula nuclear-free, Japanese officials said.

The foreign minister said Japan would not seek diplomatic normalization with North Korea should that bring about a setback in relations with South Korea and the United States, the officials said.

Nakayama told Kim that the ongoing bilateral talks for establishing diplomatic ties must be welcomed by the international community.

Kim, who has been in Japan since Wednesday at the invitation of the ruling Liberal Democratic Party (LDP) and opposition Social Democratic Party (SDP), was quoted as saying Pyongyang hopes to set up ties with Tokyo based on the principles of respect, equality, and mutual benefit. The second round of official normalization talks is scheduled for March 11 in Tokyo. The first round took place in Pyongyang in January.

Nakayama also touched on the issue of Japanese women married to repatriated North Koreans, and asked Pyongyang to take humanitarian measures so the women could realize hopes such as homecoming trips. Kim said a solution will be found as both nations hold further meetings, the officials said.

Kim, the most senior Pyongyang official ever to come to Japan, will stay until next Wednesday.

### Holds Talks With Kaifu

*OW2202075491 Tokyo KYODO in English 0716 GMT 22 Feb 91*

[Text] Tokyo, Feb. 22 KYODO—Japanese Prime Minister Toshiki Kaifu and (North) Korean Workers Party Secretary Kim Yong-sun agreed Friday that improved bilateral relations between Tokyo and Pyongyang would help promote peace in Asia, officials said.

The two men also expressed optimism that the two countries can resolve snags in negotiations launched last month to establish diplomatic ties, said officials of Japan's ruling Liberal Democratic Party (LDP).

The consensus was reached in the highest level meeting ever held by a Japanese Prime Minister and a member of the North Korean ruling party.

The North Korean side requested the meeting to deliver a letter to Kaifu from North Korean President Kim Il-song reconfirming mutual efforts to normalize relations.

Kaifu met Kim at the LDP headquarters in his capacity as party president. Japanese officials notified Seoul of the meeting in advance. The meeting, described as cordial by LDP spokesman Hajime Ishii, came six days after Pyongyang rejected a planned fourth round of prime ministerial talks with Seoul in protest against the annual "Team Spirit" joint U.S.-South Korea military exercises.

North and South Korea were originally scheduled to hold the fourth round of prime ministerial talks in Pyongyang on February 25-28. Kaifu, in a reference to the talks, told Kim that it is "desirable" to start a peace dialogue to help reduce tensions on the Korean peninsula.

Kim, currently on an eight-day visit at the invitation of Kaifu's LDP and the country's largest opposition Social Democratic Party, responded by blaming South Korea. "There will be no success if only one side makes efforts," Ishii quoted Kim as saying. "I want you to awaken the South Korean leadership that it is raising tensions," Kim said.

Pyongyang has cited the military exercise as a reason for putting off contacts with South Korea since the practice was launched in 1976.

On bilateral relations, Kim told Kaifu that the different political systems in the two countries should not pose a barrier to improving relations. "I would like to pursue bilateral relations based on this principle," he said.

Kaifu said that various problems are likely to come up in the course of negotiations. "But if both sides are sincere and make efforts, and the parties and their governments work together, the road will certainly open up," he said.

Spokesman Ishii said Kaifu made no specific mention in the 30-minute meeting of Japan's demand that Pyongyang allow international inspections of its nuclear facilities before normalizing relations. "Specifics should be brought up with the foreign minister," Ishii said. "After all he (Kaifu) is prime minister."

The two men also did not mention the difference over whether Japan should make payments to Pyongyang for the 45-year postwar period, in addition to reparations for the 1910-1945 colonialization period.

Earlier in the day, Kim extended an invitation to former Prime Minister Noboru Takeshita to visit Pyongyang, and suggested spring or fall as the most pleasant seasons.

At a breakfast meeting with members of the LDP's research commission on foreign affairs, Kim sparred with legislators over the return to Japan of seven members of the Sekigun-Ha (Red Army) faction of leftist extremists who hijacked a Japan Airlines plane to North Korea in 1970, and were granted asylum. The hijackers wish to return to Japan, Kim said, "but we are worried over whether their safety can be assured." The LDP side in a heated response reminded Kim that the "refugees" are criminals.

Kim, responding to questions, told some 50 legislators that he favors a proposal for exchanging news reporters.

### Firms Buy Record Amount of Overseas Property

*OW2102130891 Tokyo KYODO in English 1152 GMT 21 Feb 91*

[Text] Tokyo, Feb. 21 KYODO—Overseas real estate investment by Japanese firms rose to a record high of 1,201.6 billion yen in fiscal 1989, with investment in U.S. property accounting for nearly half of the total, according to a survey on real estate investment released Thursday by the Construction Ministry.

The total amount of Japanese overseas real estate investment rose by a whopping 39.4 percent in fiscal 1989 over the previous financial year and was the highest since the survey was first taken in fiscal 1986. Japanese investment in U.S. real estate accounted for 566.7 billion dollars, 47.2 percent of the total.

"Limits on the total amount of loans that could be offered by financial institutions for real estate purchases were not yet implemented in fiscal 1989," ministry officials said.

A total of 1,471 firms responded to the survey. Of this total, 146 firms said they bought property either directly or through their local subsidiaries.

Europe, including Eastern Europe, was the second most popular area of investment, with purchases totaling 371.8 billion yen, and Oceania was third with 127.7 billion yen. The U.S., Europe, and Oceania accounted for 90 percent of the total. Investment in Hawaii alone totaled 103.8 billion yen.

In Europe, Japanese firms concentrated their purchases on office buildings in advance of the market integration of the European Community. Overall, office buildings were the most sought after form of real estate purchases, accounting for 42.1 percent of the total, trailed by hotels and resorts, which made up 20.8 percent. Housing purchases came third, accounting for 15.8 percent of the total.

## Diet To Revise Foreign Exchange, Trade Law

*OW2202053691 Tokyo KYODO in English 0452 GMT 22 Feb 91*

[Text] Tokyo, Feb. 22 KYODO—The government on Friday decided to revise the Foreign Exchange and Foreign Trade Control Law in line with promises made in the Structural Impediments Initiative (SII) talks with the United States, government officials said.

A bill to revise the current law is expected to be submitted to the current Diet session, they said, adding the revised law is likely to take effect next year.

Under the revision, foreign investors will be permitted to notify Japanese ministries concerned after any direct investment, or introduction of technology, is made in the Japanese market.

However, the changes will not affect the four industrial fields of oil, mining, leather goods, and agricultural, forestry and fishery products, which are considered important to Japan's national security, officials said.

Foreign countries have criticized Japan's policy of making overseas investors give prior notification to the government before any such direct investment is made.

## U.S. Fair Trade Law on Reciprocity Angers Banks

*OW2202112591 Tokyo KYODO in English 0925 GMT 22 Feb 91*

[Text] Tokyo, Feb. 22 KYODO—Japanese banks on Friday criticized a U.S. fair trade law aimed at taking reciprocal action against foreign countries that have failed to open up financial markets to competition from international banks and securities firms.

Bankers voiced complaints about the overnight passage of the fair trade in financial services act, which would authorize regulators to bar access to the U.S. market by financial institutions based in countries that have prevented foreign banks and securities firms from reciprocal entry into financial markets.

The legislation, introduced by Sens. Donald W. Riegle, Jr and Jake Garn, is chiefly targeted at Japan, which has been allowed entry into the U.S. financial markets, but has failed to grant equal access to foreign banks and securities firms.

In response to requests from Washington for fair access to financial markets, Japan has promised to liberalize its financial services, such as interest rate deregulation, but the slow pace of the proposed reforms has been unsatisfactory.

Acknowledging that the Japanese financial services market is closed to fair competition from foreign firms, many bankers said Japan has been boosting efforts to make it more open.

"The act goes against worldwide globalization and deregulation of financial markets," an official at a major commercial bank said. "We want U.S. lawyers to be more cool-headed and to watch our efforts toward financial liberalization for the time being," the official said.

A hastily-arranged bilateral meeting in Washington in late January over financial markets in both countries failed to iron out the differences of the positions of the two countries.

Vice Finance Minister Masami Kogayu, in a regular press conference, expressed strong concern over the legislation, saying, "the reciprocity act is extremely undesirable for Japan. We are carefully watching how the House of Representatives will handle it."

Another high-ranking official also contended that Japan's market is sufficiently open to foreign institutions. "The results (of Japanese reform) may sometimes fail to live up to their expectations. But it is not fair for the U.S. to enact retaliation against Japanese financial institutions entering the U.S. on such grounds," the official, who spoke on condition of anonymity, said.

## Sharp To Start LCD Production in U.S.

*OW2102125291 Tokyo KYODO in English 1201 GMT 21 Feb 91*

[Text] Tokyo, Feb. 21 KYODO—Sharp Corp. on Thursday announced that it will start production of liquid crystal displays (LCD's) for personal computers in December in the United States. Sharp will be the first Japanese firm to begin production of the flat-panel LCD's in the U.S.

The announcement followed a preliminary ruling earlier this week by the U.S. Department of Commerce (DOC) that Japanese computer display makers are selling flat-panel displays on the U.S. market at less than fair value.

Sharp officials said their firm's plan has nothing directly to do with the DOC ruling and was drawn up a long time ago.

The production of LCD's will be undertaken by the production division of Sharp Microelectronics Technology Inc. (SMT) of Camas, near Portland in Washington State [as received], at a plant to be built on SMT premises. SMT is Sharp's integrated circuits and large-scale integration research and development facility in the U.S.

The officials said the company plans to manufacture 300,000 LCD's in the initial year and 500,000 in the second year. The LCD to be produced will be a dot matrix type.

The officials said Sharp will invest 14 million dollars in plants and equipment in the first phase of its plan and 16 million dollars in the second phase.

## Mongolia

### Ochirbat Presides Over Constitutional Meeting

*OW2102123291 Ulaanbaatar International Service in English 0910 GMT 20 Feb 91*

[Text] A meeting of the organizational commission on drafting the constitution of the Mongolian People's Republic, presided over and run by chairman of the commission, President Punsalmaagiyn Ochirbat, has been held in Ulaanbaatar.

The commission considered such basic questions of the draft as human rights, state power, forms of property, state emblem and banner, etc. The commission has decided to submit the draft constitution for consideration to the State Small Hural, the standing legislature of Mongolia, in early April this year. After nationwide discussion the draft constitution will be considered and approved by a regular session of the Great People's Hural, the supreme legislative body, which will be held later this year.

### President Ochirbat Ratifies New Labor Code

*OW2202013291 Ulaanbaatar International Service in English 0910 GMT 20 Feb 91*

[Text] A new labor code of the Mongolian People's Republic passed by the State Small Hural, has been ratified by President Ochirbat. The new bill is designed to regulate labor relations during the transition period to the market relations. The document will regulate, in part, working hours and recreation of working people. It notes that teenagers of 14 years of age can start work by consent of their parents and other apprentices. Their work week has been set at 30 hours. All other workers will have a 36 hour work week. Regulation of a work day must not exceed eight hours.

The bill envisages additional holidays according to service record. Under the new law, henceforth, 1 May, the national day of celebrating of working people, and 7 November, the day of the 1917 October Revolution in Russia, will not be public holidays in Mongolia.

### First Meeting of Mongolian Youth Union Held

*OW2202025391 Ulaanbaatar International Service in English 0910 GMT 20 Feb 91*

[Text] The first meeting of the General Council of the Mongolian Youth Union, which replaced the former Mongolian Revolutionary Youth Union, was held in Ulaanbaatar on 18 February. The meeting heard a report on the formation of the primary youth organizations in urban and rural areas, discussed and approved the platform of the union, and also some organizational matters. It also discussed the question of establishing contact with foreign youth organizations and movements. So far, over 200 primary organizations of the Mongolian Youth Union have been formed in the country, and about 10,000 young people have expressed their support to the new union.

### Soviet Coverage on Byambasuren's USSR Visit

*WA2002014891*

For USSR coverage of Mongolian Prime Minister D. Byambasuren's visit to the USSR, including talks with USSR President Mikhail Gorbachev and Russian Republic officials, see the Northeast Asia section of the 12 February Soviet Union DAILY REPORT and subsequent issues.

## North Korea

### WPK Delegation Continues Visit to Japan

#### Attends Dinner Hosted by Kanemaru

*SK2102020691 Pyongyang KCNA in English 1619 GMT 20 Feb 91*

[Text] Tokyo February 20 (KCNA correspondent)—Shin Kanemaru, ex-deputy prime minister of Japan and member of the House of Representatives from the Liberal Democratic Party, gave a dinner at Hotel New Otani here this evening in honor of the delegation of the Workers' Party of Korea [WPK] on a visit to Japan.

Invited there were the members of the WPK delegation headed by Kim Yong-sun, member and secretary of the WPK Central Committee and vice-chairman of the Foreign Affairs Committee of the Supreme People's Assembly and deputy to the SPA.

Present there were Hajime Ishii, acting president of the Foreign Affairs Research Council of the LDP of Japan and member of the House of Representatives and chairman of the Welcome Committee for the WPK Delegation, Masayoshi Takemura, member of the House of Representatives and chief secretary of the Welcome Committee, and Noboru Nakahira, special ambassador at vice-minister level of the Ministry of Foreign Affairs, who is head of the Japanese delegation to the intergovernmental full-dress talks for the normalisation of Japan-DPRK diplomatic relations.

The dinner proceeded in a friendly atmosphere.

### Holds News Conference

*SK2102161191 Pyongyang KCNA in English 1510 GMT 21 Feb 91*

["Head of WPK Delegation Holds Press Conference With Japanese and Foreign Reporters"—KCNA headline]

[Text] Tokyo February 21 (KCNA correspondent)—Head of the delegation of the Workers' Party of Korea [WPK] Kim Yong-sun, secretary of the C.C. [Central Committee], the WPK, vice-chairman of the Foreign Affairs Committee of the Supreme People's Assembly (SPA) and deputy to the SPA, on a visit to Japan, today had a press conference with Japanese and foreign reporters in Tokyo.

He elaborated on the socialist construction in the DPRK and national reunification, the foreign policy of the WPK and outlined the DPRK-Japan relations.

He said:

Our people look back with high pride on its past course, because they have been building unique socialism of Korean style by their own efforts since they chose it by themselves.

Our socialism is, in short, man-centred socialism which embodies the chuche idea. The main characteristic of our society is that it is a truly people-orientated society of which the popular masses are the true masters and in which everything serves the masses.

The chuche idea is an ideological basis of our-style socialism and the guideline of our party and state activities.

The process of building socialism by embodying the chuche idea may be termed a process of solving all problems arising in the building of a new society our own way.

We have built the party and government our own way.

Our party is a mass political party consisting of workers, peasants and intellectuals.

Soon after its founding our party embraced the intellectuals together with the workers and peasants.

As our party defined the intellectuls as motive forces for building a new society and its component they have become one of the main forces in building socialism.

Our people's government is a democratic united front government involving our party and other political parties and broad masses of all strata including the workers and peasants.

As such government, it has pursued democratic policies consummating their demand and will in a uniform way. That is why our peoples' government enjoys an unquestioned support and trust of the entire people.

We put forward a line of building an independent national economy and have developed the economy our own way.

What is characteristic of our economy is that it is based on its inexhaustible potentials and home-rich resources.

As we have built a powerful independent national economy relying on domestic resources and techniques, we have become able to make anything we decide to.

The independent national economy we have built does not rule out economic cooperation and exchange of science and technology with other countries.

It is our consistent economic policy to develop economic cooperation and exchange of science and technology with other countries on the principle of mutual accommodation and reciprocity.

We have become able to conduct more effective economic exchange and trade with other countries on the principle of equality and mutual benefits because we have built an independent national economy.

We adopted the law on joint venture in 1984.

Now our country is doing a lot of joint venture and cooperation with West European, Asian and African countries.

It can be said that the course of our building socialism by applying the chuche idea has been a process of building the driving force of the building of a new society.

These days many people in the world express deep interest in the secret of the continued triumphant advance of socialism in our country without vacillation. The basic secret lies in that the leader, the party and the masses are singleheartedly united as one socio-political organism casting in their lot with each other. The singlehearted unity of the leader, the party and the masses is a powerful motive force of our socialist construction.

Dear Comrade Kim Chong-il, the sagacious leader of our party and our people, set the slogan "We serve the people!" as the maxim of the party officials and makes it run through all the party activities.

Under the slogan "When the party is determined, we can do anything!" our people absolutely trust and follow our party and uphold the party's leadership with loyalty.

The party which has struck deep roots among the popular masses and our people who uphold the party's guidance with fidelity—they are the basis of the solidity of our socialism and the source of great strength not shaken in any storm and stress.

Kim Yong-sun went on:

It is the most urgent task and the supreme national desire for the Korean people to reunify the divided country.

From the first days of the division of the country our party and the DPRK Government have put forward a great number of reasonable proposals for the independent and peaceful reunification of the country and made every effort possible to realize them.

In this course, we have become convinced that the most urgent, preferential task in accelerating the national reunification is to maintain peace on the Korean Peninsula and create peaceful preconditions for reunification.

We have already proposed in our package for peace on the Korean Peninsula in 1988 to adopt a nonaggression declaration between the North and South, conclude a peace agreement between the Democratic People's Republic of Korea and the United States and turn the Korean Peninsula into a nuclear-free, peace zone. And it envisaged reduction of armed forces of the North and South each to less than 100,000 men in three stages and phased withdrawal of the US troops and nuclear weapons from South Korea in step with it.

Last year, too, we arranged North-South high-level talks and again advanced an important proposal to substantially remove military confrontation including the nonaggression question. Such sincere efforts of ours, however, have failed to bring any positive response, to our regret.

Last year we proposed to pull down the concrete wall which is 10-19 metres wide at the bottom and 3-7 metres wide in the upper part, 5-8 metres high, stretching more than 240 kilometres along the whole length of the Demarcation Line and to realize free travel and full-scale opening between the North and the South and also called for adopting both our nonaggression declaration and the declaration on reconciliation and cooperation proposed by the South side at the three rounds of North-South high-level talks last year.

But neither of them was adopted due to opposition by the South side.

We think the daggers hidden in the bosom must be thrown away and the fear of threat from the South and "threat from the North" be dispelled, to begin with, to realize humanitarian travel and economic exchange between the North and the South.

Under the present situation in which more than 1,000 pieces of nuclear weapons are deployed in the southern half of the Korean Peninsula and there is an actual danger of war in our country, to insist only on exchange, shelving the military problem, is, in fact, tantamount to saying that they do not want peace, nor will they realize normal travel and exchange themselves. The nonaggression declaration we are insisting on is a starting-point and most important guarantee for confidence building, not a followup question of confidence building as the South side contended.

Moreover, nonaggression declaration is what the South Korean authorities themselves had called for from long ago. There can be no ground or pretext for them to refuse it today.

When a nonaggression declaration is adopted between the North and the South, the problem of replacing the Armistice Agreement by a peace agreement between the DPRK and the U.S. will be easily solved. Then, the United States will be able to withdraw its troops and nuclear weapons from South Korea without any worries and take its hands off the Korean issue with honour.

If the military confrontation between the North and the South is removed and if the U.S. troops and nuclear weapons are withdrawn from South Korea, the Korean, Japanese and other peoples of Asia will live in a peaceful environment and a decisively favorable phase will be opened for reunifying Korea in a peaceful way.

Besides the guarantee of peace on the Korean Peninsula, another important matter in hand in hastening the reunification of Korea is to decide how the country should be reunified.

The Workers' Party of Korea and the DPRK Government have consistently maintained that under the situation of our country where two different systems exist in the North and the South, national reunification should be realized by establishing a confederation based on one nation, one state, two systems and two governments on the principle of neither side conquering the other or being conquered by the other.

This proposal means to achieve reunification by establishing one united national state over the different systems and governments in the North and the South, leaving them as they are.

Our proposal for reunification by means of confederation is based on the three principles of independence, peaceful reunification and great national unity which were jointly confirmed and published by the North and the South in 1972. It proceeds from the possibility of two different systems and two autonomous governments can coexist in one national state.

Comrade Kim Il-song, the respected leader of our people, put forward long ago the proposal for establishing the Democratic Confederal Republic of Koryo [DCRK] as a way of reunification through confederation based on one nation, one state, two systems and two governments.

We believe that the proposal for founding the DCRK is a fair common ground for national reunification which can serve as the basis of national agreement.

In an effort to make it easier for the whole nation to reach national agreement on this proposal, we are ready to consult the matter of gradually completing reunification through confederation by vesting the regional autonomous governments of the confederal republic with more rights on a tentative basis and then increasing the functions of the central government in the future.

Comrade Kim Il-song, the respected leader of our people, in his New Year address proposed to convene a political consultative conference for national reunification as soon as possible in which the authorities, and representatives of political parties and organizations of the North and the South sit together with a view to reaching a nationwide agreement on the method of national reunification.

In this connection, the government and political parties and organizations of our Republic proposed to convene a political consultative conference for national reunification on the occasion of August 15 this year, the 46th anniversary of the liberation of Korea.

When the political consultative conference for national reunification is convened and the method of reunification through confederation is confirmed there, it will bring about a great turning point in realising the desire of our people for reunification.

Since a reunified Korea is expected to develop as a neutral non-nuclear state, it will be fully beneficial to neighbouring countries including Japan.

If our country is reunified by means of confederation, Japan can favorably develop relations with the North and South of Korea and advance jointly with them for peace and common prosperity of Asia.

Either in view of the unanimous desire of the Korean people or the interest of our neighbouring countries, reunification of our country, the last divided country in the world, must be realized as soon as possible.

Kim Yong-sun went on to say:

Independence, peace and friendship is the basic idea of the foreign policy of the Workers' Party of Korea and the Government of the Democratic People's Republic of Korea.

We have established friendly and cooperative relations with other parties and countries and are developing them on good terms in accordance with the idea of independence, peace and friendship.

Our country, situated in Asia, always attaches great importance to the development of relations with Asian countries.

Today Asia has entered a new stage in its development. If the Asian people establish relations and closely cooperate with each other on the principle of independence, equality and mutual benefit, they can ensure security in Asia and achieve common prosperity and contribute to the cause of world peace.

We hold that differences in ideology, system and idea must not be an obstacle to the development of relations among countries and we respect freedom of choice and rights of all countries and parties.

We have long since established and favorably developed good neighbourly relations with capitalist countries which respect independence of our country and want to get on friendly with our country, transcending differences in ideology and system.

Our party has established friendly relations with many parties in capitalist countries including Christian democratic parties, socialist parties and social-democratic parties in Asia, Western Europe, Northern Europe and Latin America and developed bonds of cooperation with them.

It is a consistent stand of our party and the government of the DPRK to establish relations of good neighbourliness and friendship with Japan on the principle of independence, equality, mutual respect and non-interference in other's internal affairs and live with her on good terms.

We affirmatively approached the suggestion of the LDP [Liberal Democratic Party] government to liquidate the unfortunate past in the Korea-Japan relations and improve relations and decided to respond to it last year.

A historical three-party joint declaration was adopted between the Workers' Party of Korea, the Liberal Democratic Party and the Social-Democratic Party of Japan in September last year and, on this basis, a broad avenue for the normalisation of diplomatic relations between the two countries of the DPRK and Japan was opened.

The improvement of relations between Korea and Japan will no doubt be beneficial to the two countries and be a great contribution to the building of a new Asia, independent, peaceful and prosperous.

It is the demand of the developing times and unanimous desire of the people of Korea and Japan that Korea and Japan should not remain coumries near yet far from each other but be near and friendly to each other.

Kim Yong-sun answered the questions put by reporters.

### Meets Foreign Minister Nakayama

*SK2102163091 Pyongyang KCNA in English 1618 GMT 21 Feb 91*

[Text] Tokyo February 21 (KCNA correspondent)—Head of the delegation of the Workers' Party of Korea [WPK] Kim Yong-sun, secretary of the C.C. [Central Committee], WPK, vice-chairman of the Foreign Affairs Committee of the Supreme People's Assembly [SPA] and deputy to the SPA, now on a visit to Japan met with Japanese Foreign Minister Taro Nakayama here today.

The Japanese foreign minister warmly welcomed the visit to Japan by the WPK delegation from the bottom of his heart.

Recalling that the three-party joint declaration of the Liberal-Democratic Party and the Socialist Party of Japan and the WPK was adopted during the Korea visit of Mr. Shin Kanemaru and Mr. Makoto Tanabe last year, he said this is a historical event for the peoples of Japan and Korea.

Noting that the full-dress talks started now after three rounds of Japan-DPRK intergovernmental preliminary talks, he highly appreciated it.

The Japanese Government is pleased to greet the WPK delegation in Japan following the visit to Korea by Mr. Shin Kanemaru and Mr. Ichiro Ozawa, he said.

Pointing out that it is most important for the Japanese and DPRK Governments to treat each other with a good will, he said any differences could be narrowed down this way, and hoped for a smooth progress of Japan-DPRK intergovernmental negotiation in the future.

The head of the WPK delegation expressed thanks for welcoming the delegation's visit to Japan, and manifested the belief that if the two countries make joint efforts the normalization of relations would be realized successfully.

Present on the occasion were deputy head of the WPK delegation Choe Mun-son, chief secretary of the Pyongyang Municipal Committee of the WPK, chairman of the Pyongyang Municipal People's Committee and deputy to the SPA, member of the delegation Kim Yang-kon, vice-director of a department of the C.C., WPK, and some suite members.

On the opposite side were Shigeo Takenaka, deputy foreign minister, and officials concerned.

### Meets Former Deputy Prime Minister

*SK2102164491 Pyongyang KCNA in English*
*1623 GMT 21 Feb 91*

[Text] Tokyo February 21 (KCNA correspondent)—Talks were held here today between Kim Yong-sun, secretary of the Central Committee [CC] of the Workers' Party of Korea [WPK], vice-chairman of the Foreign Affairs Committee of the Supreme People's Assembly [SPA] and deputy to the SPA, who is leading a WPK delegation on a visit to Japan, and Liberal-Democratic member of the House of Representatives Kiichi Miyazawa, former deputy prime minister of Japan.

At the talks Kim Yong-sun clarified the foreign policy and proposals for national reunification and the stand toward North- South dialogue of the WPK and DPRK Government and said that the North-South high-level talks failed to continue due to the "Team Spirit 91" joint military exercises of the United States and South Korea. The only way of solving the question of national reunification is to achieve reunification by means of confederation in the context of one nation, one state, two systems and two governments, he added.

Kiichi Miyazawa said the peoples could not understand each other well because Japan and Korea were near yet-far away countries, but today they realize that it is important to find things common, above all.

Touching on the question of normalization of diplomatic relations with the DPRK, he declared that they would work in support of the normalization of diplomatic relations between Japan and Korea, progress of intergovernmental full-dress talks.

He stressed the need for the two countries to promote trust, frequently conducting mutual exchange and travel.

The talks proceeded in a friendly atmophere.

Present at the talks on the Korean side were members of the delegation Kim Yang-kon and Choe Hak-nae, vice-directors of a department of the C.C., WPK, and on the opposite side were members of the House of Representatives Hajime Misai, Niwayu, Katsuto Asano, Sidaka Muratayo, Nakadanigen and Shunichi Suzuki.

### Feted by LDP Welcome Committee

*SK2202005791 Pyongyang KCNA in English*
*1629 GMT 21 Feb 91*

[Text] Tokyo February 21 (KCNA correspondent)—The chairman of the welcome committee of the Liberal Democratic Party [LDP] of Japan for the delegation of the Workers' Party of Korea [WPK] gave a dinner here today for the visiting WPK delegation.

Invited to the dinner were the members of the delegation headed by Kim Yong-sun, secretary of the WPK Central Committee and vice-chairman of the Foreign Affairs Committee of the Supreme People's Assembly [SPA] and deputy to the SPA, suite members and reporters accompanying it.

The director of the International Department of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) and officials of Chongnyon were also present on invitation.

Present there were Hajime Ishii, acting president of the Foreign Affairs Research Council of the LDP, member of the House of Representatives and chairman of the welcome committee for the WPK delegation, Masayoshi Takemura, chief secretary of the welcome committee and member of the House of Representatives, Hajime Funada, director of the Foreign Affairs Department of the LDP and member of the House of Representatives, Toshitsuku Saito and Toichiro Kuno, members of the House of Representatives, and other officials concerned.

The dinner proceeded in a friendly atmosphere.

The East Asia Trade Research Board arranged a luncheon for the WPK delegation today.

### Meets LDP Foreign Affairs Council

*SK2202070091 Pyongyang KCNA in English 0623 GMT 22 Feb 91*

[Text] Tokyo February 22 (KCNA correspondent)—The visiting delegation of the Workers' Party of Korea [WPK] today had a friendly talk with members of the Foreign Affairs Research Council of the Liberal Democratic Party [LDP] at the LDP headquarters. Present on our side were head of the delegation Secretary Kim Yong-sun, deputy head Choe Mun-son and delegation members Kim Yang- kon and Choe Hak-nae and suite members. Present on the opposite side were Yohei Koono, president of the Foreign Affairs Research Council of the LDP and member of the House of Representatives; Hajime Ishii, acting president of the Council and member of the House of Representatives; Juro Matsumoto, ex- director of the defence agency and member of the House of Representatives; Masaaki Nakayama, ex-minister of posts and telecommunications and member of the House of Representatives; Jun Shiozaki, ex-director of the general affairs agency and member of the House of Representatives; Takeshi Noda, ex-minister of construction and member of the House of Representatives; Koichi Sato, ex-director of the defence agency and member of the House of Representatives; Shojo Harada, ex-minister of construction and member of the House of Representatives; Kiyoshi Mizuno, ex-president of the LDP Executive Council and member of the House of Representatives; and dozens of other members of the House of Representatives and the House of Councillors. President of the council Yohei Koono said he was pleased that the Foreign Affairs Research Council of the LDP was having a friendly talk with the WPK delegation of the Democratic People's Republic of Korea. Noting that through the efforts of members of the foreign affairs research council, particularly the Korean visit of Mr. Shin Kanemaru in September last year, formal exchanges have begun between the LDP and the WPK, which has made a breakthrough in the thick barrier between the two countries, he said: This led to the inter- governmental full-dress talks for the normalization of Japan-DPRK diplomatic relations in Pyongyang in January. Abnormal relations between the two countries have continued for 45 years, he said, adding: In order to normalize them, Japan is resolved to reflect on the past and make efforts to advance toward the future. Stating that Japan is determined to become a close friend of Korea from now on, he said confidently that though there are still differences between Japan and Korea, repeated exchanges of views in a straightforward manner will narrow them and deepen mutual understanding. The head of the WPK delegation said he was glad that his delegation was having a friendly talk with members of the foreign affairs research council of the LDP. With a view to giving a deep understanding of our country, he explained what country the DPRK and outlined the North-South dialogue, the WPK's foreign policy and DPRK-Japan relations. Views were exchanged in a cordial atmosphere at the talk.

### Gives Kim Il-song Letter to Kaifu

*SK2202071491 Pyongyang KCNA in English 0621 GMT 22 Feb 91*

[Text] Tokyo February 22 (KCNA Correspondent)—Japanese Prime Minister Toshiki Kaifu who is also president of the Liberal Democratic Party today met with the visiting delegation of the Workers' Party of Korea [WPK].

Present on the occasion were the members of the delegation led by Kim Yong-sun, secretary of the C.C. [Central Committee], the WPK, vice-chairman of the Foreign Affairs Committee of the Supreme People's Assembly [SPA] and deputy to the SPA.

The head of the delegation conveyed a personal letter of Comrade Kim Il-song to the LDP president.

Toshiki Kaifu expressed deep thanks for this.

A talk took place in a friendly atmosphere.

### Further on Meeting With Kaifu

*SK2202112791 Pyongyang KCNA in English 1037 GMT 22 Feb 91*

[Text] Tokyo February 22 (KCNA correspondent)—Japanese Prime Minister Toshiki Kaifu who is president of the Liberal Democratic Party [LDP] today met with the visiting delegation of the Workers' Party of Korea at the headquarters of the LDP.

The DPRK flag and the Japanese flag were hung at the headquarters of the LDP.

Present on the occasion were the members and the suite of the WPK delegation led by Kim Yong-sun, secretary of the Central Committee of the WPK, vice-chairman of the Foreign Affairs Committee of the Supreme People's Assembly and deputy to the SPA.

Also present were Hajime Ishii, acting president of the Foreign Affairs Research Council of the LDP, chairman of the welcome committee for the WPK delegation and member of the House of Representatives; Hajime Funada, director of the Foreign Affairs Department of the LDP and member of the House of Representatives; Toshitsuku Shaito and Masayoshi Takemura, members of the House of Representatives.

The head of the delegation conveyed a personal letter and a gift of President Kim Il-song to President Toshiki Kaifu.

President Toshiki Kaifu expressed heartfelt thanks to His Excellency President Kim Il-song for the reply to the letter he had sent through Mr. Shin Kanemaru last year, and asked the head of the delegation to forward his warm greetings to His Excellency President Kim Il-song.

He said he, as president of the LDP, was glad that exchanges between his party and the WPK and inter-governmental negotiation for the normalization of diplomatic relations were under way.

It is important, he noted, to deepen common conception and understanding through the inter-governmental negotiation so as to improve Japan-DPRK relations and strengthen friendship between the two countries.

I myself earnestly hope that the two countries will get on friendly terms, transcending ideology and idea, and that tension will be eased on the Korean Peninsula and common prosperity of the Asia-Pacific region be achieved through cooperation of the two countries, he said.

He also expressed the hope for the improvement of the relations between Japan and the DPRK, success in the North-South high-level talks and detente on the Korean Peninsula.

Kim Yong-sun outlined the position of the WPK for easing tension on the Korean Peninsula and creating preconditions for a peaceful reunification of the country.

He said that if both countries approach inter-governmental full- dress talks for the normalization of DPRK-Japan diplomatic relations with sincerity and understanding, the talks will bear good fruits.

The conversation took place in a friendly atmosphere.

### Meets Former Premier Takeshita

*SK2202110991 Pyongyang KCNA in English*
*1032 GMT 22 Feb 91*

[Text] Tokyo February 22 (KCNA correspondent)—Talks were held here today between head of the visiting delegation of the Workers' Party of Korea [WPK] Kim Yong-sun, secretary of the C.C. [Central Committee], the WPK, vice-chairman of the Foreign Affairs Committee of the Supreme People's Assembly [SPA] and deputy to the SPA, and Noboru Takeshita, former prime minister of Japan and member of the House of Representatives. Present on our side was member of the delegation Kim Yang-kon, vice-director of a department of the WPK Central Committee. Present on the opposite side were Hajime Ishii, acting president of the Foreign Affairs Research Council of the Liberal Democratic Party and member of the House of Representatives; Shinjiro Yamamura, former minister of transport and member of the House of Representatives; Kunio Hatoyama, director of the international department of the LDP and member of the House of Representatives; Hajime Funada, director of the foreign affairs department of the LDP and member of the House of Representatives; and Toshitsuku Saito, member of the House of Representatives. Noboru Takeshita inquired after the health of President Kim Il-song and asked the head of the WPK delegation to convey his warm greetings to President Kim Il-song. It was noted at the talks that the way of improving the DPRK-Japan relations was opened when Mr. Noboru Takeshita was in office as prime minister and the DPRK-Japan relations embarked on the road of favorable development with the Korea visit of Mr. Shin Kanemaru and the adoption of the joint declaration of the three parties. At the talks, views were exchanged on a series of matters including the further development of the DPRK-Japan relations. The talks proceeded in a friendly atmosphere.

## N-S Soccer Team Talks, Agreements Reported

*SK2202113791 Pyongyang KCNA in English*
*1045 GMT 22 Feb 91*

[Text] Panmunjom February 22 (KCNA)—The first meeting of the working committee to discuss practical matters for the participation of a unified team of the North and the South in the Sixth World Youth Soccer Championships was held in the South side's portion of Panmunjom today.

It was attended by the members of the North side including co-chairman Kim Se-chin who is member of the DPRK Olympic Committee and the members of the South side including Co-Chairman O Wan-kon.

The meeting was held behind closed doors.

After the meeting, Kim Se-chin briefed reporters on the results of the meeting.

According to him, matters of selection and training of the players were discussed.

The sides agreed to select 18 players for the world youth soccer championships, nine from each side, as well as seven officials.

Our side proposed to choose 18 players, 15 officials and 20 reporters, some 60 in all, from each side to visit the other side for player-selecting games.

The South side agreed to the number of the players and officials but insisted that the number of reporters should be 70, greater than the size of the team. So, the number of reporters could not be decided upon.

It was agreed to finish the selection of players by May 8 and entrust the inviting side with the refereeship and offer of conveniences.

No agreement was reached on the dates of the player-selecting games. The sides decided to continue the discussion of the matter at the next meeting.

The sides also agreed to have allround training of the unified team in Pyongyang from May 10 to 14 and in Seoul from May 16 to 20 and let the team participate in an international tournament to be held in France from May 27 to June 4 to gain experience and arrive in Portugal on June 5.

They agreed to have the second meeting at the Tongil House in the portion of our side at Panmunjom on February 26.

## Daily: South Statement 'Ridiculous Balderdash'

*SK2202073191 Pyongyang KCNA in English 0603 GMT 22 Feb 91*

["Brazen Propaganda of Dialogue Wrecker"—KCNA headline]

[Text] Pyongyang February 22 (KCNA)—A spokesman for the puppet unification board of South Korea in a "statement" February 18 groundlessly vilified the North over the statement released by the North side's delegation to North-South high-level talks in connection with the fact that it became impossible to hold the fourth round of the talks as scheduled owing to the "Team Spirit 91" nuclear war exercises. He cried that the argument of the North is "far-fetched".

Commenting on this, NODONG SINMUN today says it is a ridiculous balderdash reminding us of a thief with a guilty conscience and a poor excuse to evade the responsibility for their criminal act in having brought North-South dialogue to a crisis of breakdown.

The news analyst notes:

It is none other than the South Korean authorities who have abused North-South high-level talks for a sinister political purpose, ignoring all the persuasion and advice of ours and staging nuclear war exercises against the North, their dialogue partner.

Dialogue and war gamble are incompatible with each other. When the U.S. imperialists and the South Korean authorities are wielding nuclear weapons against the North, dialogue cannot be held and, even if it is held, no success can be expected.

The South Korean authorities started the "Team Spirit," well aware of its grave consequences. It is clear to everyone that it is a deliberate act to break up the dialogue.

With no amount of sophism and excuse, can the South Korean rulers justify the aggressive "Team Spirit 91" joint military exercises or cover up their true color as the wrecker of dialogue, harasser of peace and foe of reunification who has disturbed peace of the country and driven the dialogue to the brink of collapse, while perpetrating provocative war moves against the North.

The No Tae-u ruling group must apologize to the nation for such criminal acts as bringing North-South dialogue to a head and stop the "Team Spirit 91" at once.

## NODONG SINMUN on 'Team Spirit' Preparations

*SK2202123191 Pyongyang KCNA in English 0959 GMT 22 Feb 91*

[Text] Pyongyang February 22 (KCNA)—The U.S. aggression armed forces are moving to the Korean Peninsula from the U.S. mainland and overseas military bases to participate in the "Team Spirit 91" joint military and large-scale aerial war exercises are being staged in the sky above South Korean area with it as an operational theatre. NODONG SINMUN today says this shows that the U.S. imperialists are stepping up preparations for a preemptive strike at the northern half of Korea.

Noting that the "Team Spirit 91" joint military exercises are an offspring of the U.S. imperialists' strategy of pre-emptive nuclear strike, a by-lined article of the paper says:

The U.S. imperialists are seeking, above all to unleash a nuclear war in South Korea gateway to the continent so as to carry out a surprise pre-emptive strike at the North and expand it to other areas.

The "Team Spirit" joint military exercises are a major lever to realize the U.S. imperialists' strategy of preemptive strike.

It is clear to everyone that the military exercises are a preliminary war and a test war to carry out a pre-emptive nuclear strike at the DPRK in view of their contents.

All the military operations during the war exercises are run through with combat actions for attack.

The U.S. imperialists are staging three-dimensional war exercises for a preemptive attack including saturation bombings and bombardment on the east coastal area of Korea and surprise landing of the task force.

They are concentrating their efforts on aerial operations to secure the command of the air.

Flying corps involved in the "Team Spirit" war exercises which are being staged in and around South Korea are, in fact, aimed at carrying out a pre-emptive strike at the North. That is why they are staging aerial war exercises against us in the sky above the whole area of South Korea almost every day.

The "Team Spirit" war exercises are aiming at a preemptive strike at the DPRK as well as other countries. The U.S. imperialists are frantically staging refuelling exercises in the air above South Korea in a bid to fly still farther.

All the facts show that the U.S. imperialists and the South Korean authorities intend to make a surprise attack on the DPRK under a certain pretext and, furthermore, other countries, while hysterically staging the "Team Spirit" joint military exercises.

## KCNA Reports 20 Feb U.S. Aerial Exercise

*SK2202065491 Pyongyang KCNA in English 0558 GMT 22 Feb 91*

[Text] Pyongyang February 22 (KCNA)—The U.S. Pacific Airforce command Feb. 20 sent formations of nuclear-capable F-15 fighter-bombers to the sky above Anmyon Island and Kongju from Osan Air Base, South Korea, where it had deployed them as part of the criminal "Team Spirit 91" joint military exercises, and staged aerial nuclear war exercises aimed at pre-emptive strike at major targets in the strategic depth and inland of the northern half of Korea in coordination with formations of F-16 fighter-bombers belonging to the U.S. 7th Air Force stationed in South Korea according to military sources.

More than 130 fighter planes of various types belonging to the U.S. imperialists and the South Korean puppet army were mobilised in the aerial war exercises.

On the same day the U.S. imperialists brought formations of F-16 and OA-10 fighter-bombers and observation planes to the sky above Yoju and Kunwi and staged a long time ground strike exercise aimed at a surprise attack at the North in coordination with formations of F-4 and F-5 fighter-bombers of the puppet army.

Meanwhile, the South Korean puppets staged attack operation exercises supported by formations of F-16, F-4, F- 5 and OA-10 fighter-bombers and observation planes with a massive mobilisation of ground units in Pochon and Tongduchon areas.

A total of military planes mobilised in different aerial war exercises in the sky above South Korea in the whole day of Feb. 20 numbered more than 500.

### KCNA: India Closes Air Space to South Korea

*SK2102162791 Pyongyang KCNA in English*
*1556 GMT 21 Feb 91*

[Text] Pyongyang February 21 (KCNA)—India February 20 refused to allow the second batch of the South Korean puppet airforce transport team to the Gulf war to pass through its territorial air space, according to a report.

It was reported that the dispatch of the second batch of the transport team consisting of three C-130 transport planes and some 80 personnel to the Gulf war was compelled to be postponed by such a step of the Indian Government.

### KCNA Review of 22 Feb Pyongyang Press

*SK2202071791 Pyongyang KCNA in English*
*0608 GMT 22 Feb 91*

[Press review]

[Text] Pyongyang February 22 (KCNA)—Papers here today report that the great leader President Kim Il-song received credentials from the newly-appointed Thai ambassador to Korea.

Printed in papers is a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to John George Melvin Compton, prime minister of St. Lucia, on the 12th anniversary of the independence of St. Lucia.

NODONG SINMUN reports that President Kim Il-song received solidarity letters from foreign countries supporting his new proposal for national reunification.

MINJU CHOSON says that President Kim Il-song initiated the carpeting of all paddy and non-paddy fields with humus soil as part of the grand nature remaking project and is energetically guiding this work.

It is reported in NODONG SINMUN that seminars on dear Comrade Kim Chong-il's work "The Workers' Party of Korea Organizes and Guides All the Victories of Our People" were held in Norway and Ethiopia.

The paper conveys words of foreigners and overseas Koreans highly lauding the revolutionary exploits of Comrade Kim Chong-il.

The economic news columns of papers include reports that the rate of self-sufficiency of machines and equipment has reached 98 percent in Korea and the power stations are accelerating power production.

NODONG SINMUN editorially calls for thorough implementation of the slogan "Let Us Produce, Study and Live as the Anti-Japanese Guerrillas Did!"

MINJU CHOSON caries an article by Dr. Pak Yong-kun under the title "Creation of Taean Work System Opened New Epoch in Management of Socialist Economy."

Papers inform the readers of the sojourn of the delegation of the Workers' Party of Korea [WPK] in Japan: the head of the WPK delegation had separate talks with different personages of the Liberal Democratic Party [LDP] of Japan, met with the Japanese foreign minister and was interviewed by reporters of Japan and other countries, the chairman of the welcome committee for the WPK delegation gave a dinner for the delegation and the delegation visited the Korean Hall of the General Association of Korean Residents in Japan.

Papers give accounts of an annual meeting of the Korea-Cuba Solidarity Committee and the inaugural meeting of the Korea-Cape Verde Friendship and Solidarity Committee in Pyongyang.

Papers report that Kang Tae-song, who was a clerk at the Kangjin County Medical Insurance Association in South Cholla Province, South Korea, before defecting to the northern half of the country, was interviewed by home and foreign reporters.

Papers inform the readers of the first meeting of the working committee to discuss practical matters for the participation of a unified team of the North and the South in the 41st world table tennis championships.

It is reported in papers that South Korean students staged anti-American, anti-"government" protests against the dispatch of a puppet airforce transport team to the Gulf war.

NODONG SINMUN runs a commentary denouncing the shameless, attempt of the South Korean authorities to evade the blame for having made it impossible to hold the fourth inter-Korean high-level talks as scheduled.

MINJU CHOSON comments on the "special statement" of No Tae-u on the Suso district housing scandal.

An article of MINJU CHOSON stresses that the proposal for reunification by means of confederation is a great principle of the method of national reunification which conforms to the actual conditions of Korea.

Papers inform the readers that the U.S. imperialists and the South Korean authorities continuously staged attack exercises against the North.

Papers convey home and foreign public voices denouncing the "Team Spirit 91" joint military exercises of the U.S. imperialists and the South Korean authorities.

It is reported in papers that Radio Beijing denounced the United States and the South Korean authorities for bringing the inter-Korean high-level talks to the crisis of rupture and India refused to allow the second batch of the South Korean puppet airforce transport team for support to the Gulf war to pass through its airspace.

Papers carry news of the Gulf war and the reaction of different countries to Iraq's peace overtures.

NODONG SINMUN introduces Qatar on the occasion of her independence day.

MINJU CHOSON begins to carry a serial article on the human rights conditions in the United States under the fixed title "United States—Land of Worst Violations of Human Rights in the World." The first installment in today's issue says that elementary political rights are violated in the United States.

## Kim Chong-il Receives Birthday Greetings

### Hanminjon Sends Message

*SK1602042491 Pyongyang KCNA in English 0410 GMT 16 Feb 91*

[Text] Pyongyang February 16 (KCNA)—A congratulatory message came to dear Comrade Kim Chong-il from the Central Committee of the South Korean National Democratic Front (Hanminjon) on the occasion of his birthday.

The message says Comrade Kim Chong-il has performed undying feats for the country and the nation, for the time and mankind after beginning his leadership activities considering the accomplishment of the cause of chuche as his noble historical mission.

Under your tested leadership, Comrade Kim Chong-il, the Workers' Party of Korea has grown stronger and developed into a party of chuche type without transmutation, into an invincible party which advances along with the people, faithful to its cause, the message notes, and stresses:

It is one of your great exploits in implementing the great program for modelling the whole society on the chuche idea that you have turned the society of the North into a political organism in which the leader, the party and the masses share life and death.

The message expresses the resolution of Hanminjon that enjoys the trust of the people and has grown stronger to be an indestructible militant vanguard with experienced leadership ability, to advance, staunchly fighting to quicken the reunification.

The message wishes a long healthy life to Comrade Kim Chong-il, the lodestar of the cause of chuche.

### Chongnyon Sends Message

*SK1602050191 Pyongyang KCNA in English 0414 GMT 16 Feb 91*

[Text] Pyongyang February 16 (KCNA)—A congratulatory message came to dear Comrade Kim Chong-il from the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) on the occasion of his birthday.

The message says Comrade Kim Chong-il has performed undying feats for the country and the revolution, for the history and the time through his outstanding ideological and theoretical activities and revolutionary practice, standing at the head of the revolution with the accomplishment of the revolutionary cause of chuche started by the great leader President Kim Il-song as his lifelong mission.

It notes that he has defended and developed the chuche idea of the great leader and has glorified socialism of our country independent, self-supporting and self-reliant in national defence by effecting a great revolutionary upsurge under the banner of the three revolutions, ideological, technical and cultural.

It is under your wise leadership, dear Comrade Kim Chong-il, that our country has achieved a singlehearted unity of the leader, the party and the masses and powerfully demonstrated the invincibility and true advantages of our-style socialism without vacillation, standing face to face with the U.S. imperialists at a time when the imperialists are vociferating about the "crisis of socialism", says the message.

It says Comrade Kim Chong-il has indicated the way for the development of the movement of Koreans in Japan which has entered the period of a new turn and wisely led Chongnyon and Koreans in Japan along the road of chuche.

The message expresses the determination to strengthen and develop the patriotic movement of Chongnyon to a new, higher stage, in keeping with the new requirements of the developing movement of Koreans in Japan.

It also manifests the resolution to contribute to accomplishing the cause of national reunification in the 1990's through a vigorous movement of all the compatriots for the realisation of the new national reunification proposal put forward by the great leader and make every possible effort for an early normalization of DPRK-Japan relations.

The message wishes a long healthy life to Comrade Kim Chong-il.

### Soviet, Other Parties Send Greetings

*SK1602111391 Pyongyang KCNA in English 0958 GMT 16 Feb 91*

[Text] Pyongyang February 16 (KCNA)—Messages of greetings and congratulations came to dear Comrade Kim Chong-il from different countries.

Messages came from Mengistu Haile Mariam, president of the People's Democratic Republic of Ethiopia, and the Central Council of the Homeland Party of Afghanistan and congratulations from the leadership of the C.C. [Central Committee], the Communist Party of the Soviet Union and the Central Committe of the Communist Party and the government of Vietnam.

They were conveyed to an official concerned on Feb. 14 by diplomatic representatives of abovesaid countries when they called at the Central Committee of the Workers' Party of Korea.

### O Chin-u Greets Soviet Defense Minister

*SK2202104591 Pyongyang KCNA in English 1027 GMT 22 Feb 91*

[Text] Pyongyang February 22 (KCNA)—Vice-Marshal of the Korean People's Army O Chin-u, minister of People's Armed Forces, sent a message of greetings to Soviet Marshal D.T. Yazov, minister of defence of the Union of Soviet Socialist Republics, on the occasion of the 73rd anniversary of the day of the Soviet Army and Naval fleets.

In the message he says that with the founding of the Soviet Armed Forces the Soviet people could smash the high-handed armed intervention by foreign imperialists and vicious subversive activities and sabotage of the domestic reactionaries and defend the Soviet motherland with honor.

Convinced that the excellent relations of friendship and cooperation existing between the Korean and Soviet Armed Forces will grow stronger and develop in the future in the interest of the two peoples and armies, he heartily wishes the defence minister and officers and men of the Soviet Armed Forces fresh success in their responsible work to increase the defence capabilities of the country.

### Soldiers' Meetings Observe Soviet Army-Navy Day

*SK2102164791 Pyongyang KCNA in English 1616 GMT 21 Feb 91*

[Text] Pyongyang February 21 (KCNA)—A soldiers' meeting was held today at a unit of the Korean People's Army [KPA] to which Comrade Kim Yong-cho belongs on the occasion of the 73rd anniversary of the day of the Soviet Army and naval fleet.

Invited there were Soviet Ambassador to Korea Aleksandr Kapto and his embassy Military Attache Pavel Doroshenko.

Speeches were made there.

Earlier, on Feb. 20, a similiar meeting took place at a KPA unit to which Comrade Kim Chae-yon belongs.

### Pak Tong-chun Heads Cape Verde Friendship Body

*SK2102111291 Pyongyang KCNA in English 1041 GMT 21 Feb 91*

[Text] Pyongyang February 21 (KCNA)—The Korea-Cape Verde Friendship and Solidarity Committee was formed here today.

Pak Tong-chun, vice-chairman of the Committee for Cultural Relations with Foreign Countries, was elected chairman of the committee.

### Kim Yong-nam Visits Mozambique

*WA2102182991*

For Maputo Radio reports on the visit to Mozambique by Foreign Affairs Minister Kim Yong-nam and the delegation accompanying him, see the Southern Africa section of the 21 February 1991 and subsequent issues of the Sub-Saharan Africa DAILY REPORT.

## South Korea

### Minister on Gulf Situation, Gorbachev Visit

*SK2202030091 Seoul YONHAP in English 0249 GMT 22 Feb 91*

[Text] Seoul, Feb. 22 (YONHAP)—The next 24 hours may determine which way the war in the Gulf heads, to peace or a ground battle, Foreign Minister Yi Sang-ok said Friday.

Yi said to reporters in commenting on Iraq's acceptance of a Soviet peace proposal.

The foreign minister also said Korea is consulting with the Soviet Union about President Mikhail Gorbachev's visit to Seoul through diplomatic channels.

He denied Gorbachev will visit Seoul and Pyongyang in June, as reported by Japanese newspapers.

## Second Air Force Unit Leaves for UAE 22 Feb

*SK2202022591 Seoul YONHAP in English 0207 GMT 22 Feb 91*

[Text] Seoul, Feb. 22 (YONHAP)—A South Korean Air Force transport unit left for the United Arab Emirates (UAE) early Friday, two days behind schedule because India closed its airspace to the planes.

The three C-130 Hercules transports with 75 military personnel are due at al-Ayn Airbase in eastern UAE Sunday morning Korean time.

Another 75-member air transport unit with two C-130s left Tuesday. South Korea sent a 154-member military medical team to Saudi Arabia last month to join the U.S.-led coalition's war effort against Iraq.

India allowed the previous teams to use its airspace but notified Seoul of its withdrawal of permission Tuesday night. India is neutral in the Gulf war.

A Defense Ministry spokesman declined to reveal what route the planes used to reach the Gulf.

The Korean Air Force team will support transport operations in rear areas.

## Gas Masks, Military Goods Sold to Saudi Arabia

*SK2202023391 Seoul YONHAP in English 0141 GMT 22 Feb 91*

[Text] Riyadh, Feb. 22 (YONHAP)—Saudi Arabia has imported gas masks, uniforms, boots, hats and other military goods from South Korea since the Gulf war began over a month ago, a Korean diplomat said Thursday.

The Saudis have bought 300,000-400,000 Korean gas masks so far and have asked the embassy about importing canned goods and ramyon (instant noodles), and may contact Asia Motors Co. and Daewoo Heavy Industry to buy military transportation equipment, he said.

Saudi defense firms were operating flat out and have run short of raw materials so the demand for Korean military supplies will remain strong for the time being, he said, speaking on condition of anonymity.

Nhong-shim Co., a major food maker in Seoul, said Thursday it has sold 1.7 million U.S. dollars of ramyon in the Mideast kingdom so far this year, four times the same period last year.

## North Korea-Japan Talks, Agreements Reported

*SK2202115591 Seoul YONHAP in English 1107 GMT 22 Feb 91*

[Text] Tokyo, Feb. 22 (OANA-YONHAP)—Japanese Prime Minister Toshiki Kaifu and visiting North Korean official Kim Yong-sun agreed Friday to exert full efforts for Tokyo-Pyongyang diplomatic normalization.

Kim also delivered a personal letter from North Korean leader Kim Il-song before their 30-minute meeting, urging closer ties between the two countries that will bring mutual benefits and peace to Asia.

In a first formal meeting ever with a high-level North Korean official by a Japanese prime minister, Kaifu reciprocated Kim's eagerness for diplomatic ties by stating that a way will be found for improving relations when parties and governments persist together in mutual cooperation.

The letter from Kim Il-song said it is a unanimous stance in North Korea to form neighborly ties with Japan based on independence, equality and mutual benefits.

He is assured that the Pyongyang-Tokyo relations, initiated by former Japanese Deputy Premier Shin Kanemaru's visit to North Korea last September, will mature as desired by people in the two countries, the North Korean president stated in the letter.

Kaifu urged North Korea to resume inter-Korean premiers' talks, calling it peaceful negotiations for easing tensions on the Korean peninsula.

Kim, North Korea's Workers' Party secretary in charge of international affairs, arrived in Japan Wednesday for a week-long visit as the highest-ranked Pyongyang official to do so.

He and Japan's ruling Liberal Democratic Party on Thursday struck an agreement on bilateral exchanges in culture, fine arts and sports.

His meeting with Kaifu, not included in the original schedule, was arranged at a strong request by North Korea, and Kaifu met Kim as president of the LDP, a government official here said.

## Pyongyang Agrees To Select Joint Soccer Team

*SK2202090491 Seoul YONHAP in English 0848 GMT 22 Feb 91*

[Text] Seoul, Feb. 22 (YONHAP)—South and North Korea agreed Friday to complete selection of a single national soccer team by May 8 and train alternatively in Pyongyang and Seoul from May 10 for the World Youth Football Championships in Portugal in June.

The accord came in the first meeting at the truce village of Panmunjom of five-member South and North Korean working-level committees, headed by Seoul's O Wan-kon, vice president of the Korea Football Association, and Pyongyang's Kim Se-chin, a member of the North Korean Olympic Committee.

Tryouts will be in Pyongyang in late April and in Seoul in early May, but details were postponed to the next round of talks on Tuesday. Press coverage will also be discussed later.

The manager will be from South Korea and the coach from North Korea and the number of players and officials equal, and training starts May 10 in the North.

The training camp will move between South and North once a week, but they failed to agree on a starting date or length of training period.

Both sides will notify FIFA (the Federation of International Football Associations) of their decision to form a single Korean team by Feb. 28.

On the number of reporters to cover the tryouts, Seoul proposed 50 and Pyongyang insisted on the same number as for matches last fall. A team uniform and flag were not discussed.

## More on Involvement in Suso Housing Scandal

### Spokesman Issues Statement on Scandal

*SK2202021891 Seoul YONHAP in English 0109 GMT 22 Feb 91*

[Text] Seoul, Feb. 22 (YONHAP)—The ruling Democratic Liberal Party [DLP] has denied involvement of President No Tae-u or his staff in the Suso housing scandal. No also heads the governing party.

A statement issued Thursday afternoon by DLP spokesman Pak Hui-tae also denied the DLP took money from Hanbo group for favors relating to the Suso district development project.

"It may look strange that the Party for Peace and Democracy [PPD] received money from Hanbo and we received nothing, but there was no need for Hanbo Chairman Chong Tae-su to give money to us since, as a member of the party Finance Committee, he gave a considerable amount in an open and legal way last year," Pak said .

As for the three versions of minutes the DLP has circulated on a party-government discussion of the Suso development, Pak said the draft by an aide to Rep. So Chong-won was stolen by a person who filed grievances with the party over the Suso project.

So made another version by revising parts of the draft and a third version, submitted to the prosecution, had "needless" lines erased at two points, he said.

Pak said So told the prosecution the copy differed from the original.

"If they had approved there would have been no need for a second meeting Aug. 17," Pak said of news reports that the three DLP co-chairmen approved giving positive consideration to Hanbo's development plan July 20 last year, in the first DLP-government meeting.

"It was not approval. A clerk told about the discussion by So used the expression in his report on the meeting," Pak said.

The opposition charge that Chongwadae was involved is based on former DLP chief policy-maker Kim Yong-hwan's notes, which contain the phrase "positive support, Chongwadae and others' intention."

"(The memo is) so short and unclear that it is hard to tell what intention of whom it refers to," he said. "If the higher authority of Chongwadae directed positive consideration for Hanbo, it is unimaginable that Seoul city officials solely opposed it while all other government offices were for it."

### PPD Gives News Conference on Scandal

*SK2202042891 Seoul YONHAP in English 0228 GMT 22 Feb 91*

[Text] Seoul, Feb. 22 (YONHAP)—Opposition leader Kim Tae-chung threatened President No Tae-u with a no-confidence vote Friday if he refused to shake up his staff, the prosecution and the Agency for National Security Planning.

Kim, president of the Party for Peace and Democracy (PPD), also called on No to order a full re-investigation of the Suso housing scandal, resign from the Democratic Liberal Party [DLP] and form a neutral cabinet.

"If President No does not accept our demands, we will carry out a struggle for a no-confidence vote. In that case, we will all resign from the National Assembly and will stand side by side with the president in a public trial," Kim told a news conference.

The no-confidence vote and resignation of all lawmakers would not require constitutional revision, just a slight change in its supplementary provisions, Kim said.

The prosecution investigation of the Suso scandal "only aggravated public suspicion and wrath as it one-sidedly sought to scale down and hide facts," Kim said. "President No should dismiss the justice minister and prosecutor-general for covering up and should start a thorough re-investigation of the case."

Charging that No knew of the favors being given Hanbo group for the development of Suso district, the opposition leader said the president should make clear the relationship between himself or his staff and Hanbo, answer charges that Hanbo made secret payments to Chongwadae and release the full text of meetings between the government and the DLP on Suso last year.

His Party for Peace and Democracy would wage "all forms of legal and peaceful struggles" if a re-investigation failed to satisfy the people and was not followed by another probe by the National Assembly and a special prosecutor, Kim said.

"If these demands are not met by President No and the DLP, we will wage all forms of legal and peaceful struggles. No and the DLP should take responsibility for any incidents that may stem from such struggles," he said.

He said No's staff, the Agency for National Security Planning [NSP] and the prosecution should be reformed with "neutral" people and the NSP law should be revised to keep the agency out of politics.

Apologizing for the arrest of two PPD lawmakers and taking 200 million won from Hanbo, Kim said that was the full extent of PPD involvement.

### DLP 'Lashed Out At' Kim Tae-chung

*SK2202063491 Seoul YONHAP in English 0550 GMT 22 Feb 91*

[Text] Seoul, Feb. 22 (YONHAP)—The ruling Democratic Liberal Party [DLP] lashed out at opposition leader Kim Tae-chung Friday, accusing him of trying to escalate the Suso housing scandal to his advantage with wild rumors and hearsay.

DLP spokesman Pak Hui-tae said Kim lacked decorum in mentioning President No Tae-u in connection with the scandal and was attempting to open a split between the party and the administration.

In a news conference, the opposition leader threatened No with a no-confidence campaign if he refused to shake up his staff, the prosecution and the agency for nation security planning.

He also urged him to order a full re-investigation of the housing scandal, resign from the ruling party and form a neutral cabinet.

### Prosecutors Investigate Suso Scandal

*SK2202072491 Seoul YONHAP in English 0609 GMT 22 Feb 91*

[Text] Seoul, Feb. 22 (YONHAP)—The Seoul Prosecutor's Office questioned Rep. So Chong-won and Kim Chong-yol, an aide to the ruling party lawmaker, about the Suso housing scandal Friday.

The questioning focused on allegations that Hanbo Group made payments to the ruling Democratic Liberal Party [DLP] and on a forged document that So sent to the prosecution, sources said.

Investigators will scrutinize notes taken during meetings of government and ruling party officials on the Suso development project last year by Yi Tong-song, a Construction Ministry director-general. In them, former DLP chief policy-maker Kim Yong-hwan is quoted as saying "positive support, Chongwadae and others' intention."

The sources said the prosecution was closing in on So's relationship with Hanbo. So heads the DLP's No. 3 Policy Coordination Office and his deputy, Kim Tong-kwan, was president of a Hanbo subsidiary from 1984 to May 1987.

The prosecution is also keen to learn if lawyer Chang Ki-wuk, chairman of the Democratic Party's Human Rights' Committee, was correct in accusing So of being the bagman for the DLP in taking huge payoffs from Hanbo.

In the copy of a memorandum on the government-DLP meeting he gave to the prosecution, So left out parts of the original, but he will not be charged with forgery because he did not touch the "important parts," the prosecution sources said.

But if further investigation finds important changes, So will be charged with forgery, they added.

The prosecution will attempt to establish if So's aide handed a draft of the document to Rep. Yang Song-wu of the Party for Peace and Democracy. Yang gave the draft early this month to the National Assembly Administration Committee. Kim said he discarded it after So said it was wrong.

Yang and officials of the No. 3 Policy Coordination Office may be questioned by the prosecution, the sources said.

### President No Tae-u Briefed on Economic Situation

*SK2202023191 Seoul YONHAP in English 0159 GMT 22 Feb 91*

[Text] Seoul, Feb. 22 (YONHAP)—President No Tae-u's new economic planner said Thursday that government economic policy would put top priority on eliminating causes of economic and social concern.

Deputy Prime Minister Choe Kak-kyu, in his first report to No since taking office Monday, said economic stability was integral not only to stabilizing prices but to uprooting real estate speculation, calming industrial relations and scrapping all sources of social unrest and concern.

Also reporting to the president were the finance, agriculture, forestry and fisheries, trade and industry, energy and resources, construction and labor ministers.

Economic targets for the year include keeping inflation in single digits, holding the international balance of payments deficit under 3 billion U.S. dollars, and encouraging exports and investment in production facilities.

Government projections are for a balance of payments improvement from the second quarter thanks to growing exports and stable oil prices, after a deficit of 2 billion to 3 billion dollars in the first quarter.

Choe said the government will strictly cope with any illegal activities regardless of whether they are by management or labor.

As of Feb. 19 this year, the number of labor disputes was 29, compared to 34 of the like period of last year, but the number of reports of labor disputes was up 73.3 percent at 104.

### * High-Tech Research, Development Projects Noted

*912C0091 Seoul MAEIL KYONGJE SINMUN in Korean 3 Jan 91 p 17*

[Text] Starting this year, development of machines which automatically translate Korean spoken on the telephone into foreign languages such as English, have been actively promoted.

Futuristically designed coasting vessels with a superhigh speed of 93 kilometers per hour are also being developed today.

At the same time, a model of an automated factory for making automobile parts is being completed now, elevating the scope of plant automation of our industry.

Government-operated research institutes, the Korea Institute of Science and Technology (KIST) to name one, are concentrating on promotion of advanced technologies and industrial applications of these technologies.

KIST

It will concentrate mainly on formulating national policies regarding the establishment of a joint Korean-Soviet technology research center, environmental research on CFC (chlorofluorocarbon), and overall automation of the manufacturing industry. Starting this year, it plans to cooperate with universities in their Ph.D. and M.S. programs to produce candidates better equipped with skills as well as theories.

KAIS (Korea Advanced Institute of Science)

It plans to establish concurrent chairs for professors teaching internationally. Moreover, it will issue over 200 Ph.D. degrees this year, securing its position as a research university.

Nations' universities will be accessible to KAIS for both advanced and basic research in their masters' programs.

Electronics and Communications Institute

It will concentrate mainly on developing basic technologies for making automatic telephone translators.

With an investment of 100 billion won, it plans to pursue 64 different projects in the future, such as development of an ISDN [expansion not given] 16.64 MD RAM [random access memory] high-power computer, a semiconductor for high-definition television, and an integrated computer system for administrative work, to name just a few.

Machine Research Institute

It plans to complete a model of a small and midsize, automated plant for making automobile components so that it can transfer the technologies to the manufacturing industries. It also plans to develop a magnetic bullet train as well as an intelligent robot which talks and possesses a sense of touch.

Institute of Maritime Technology

It plans to start the development of a passenger boat with 93-kilometer-per-hour speed in a twin-vessel shape. It also plans to develop an unmanned vessel to probe the sea at the depth of 3,000 meters, along with the equipment to be used for the probe.

Aviation and Space Institute

It aims to aid KFP [expansion not given] technology, develop small and midsize aircraft, develop scientific rockets, and develop experimental satellites, followed up by the research to develop the next-generation satellite.

Institute of Standards

It plans to provide more service for evaluating characteristics of new materials, as well as to pursue international cooperation for standardization of materials. It also plans to accelerate development of technologies to work in extreme conditions. It aims to work on development of high-temperature superconductors, laser technology, and related technologies.

Chemical Research Institute

It plans to concentrate on research in new pharmaceutical and agricultural chemicals so that more than one new and useful chemical, one for the treatment of AIDS for example, can be produced by the year 1993. It also hopes to develop new chemicals for aiding blood compatibility ,and to do more catalytic research.

Electric Research Institute

It aims to develop the automation of Korea's distribution system to provide a safer and more effective electric power supply to the nation. These technologies will then be transfered to the nation's electric industries. It also plans to develop an original model for a magnetic bullet train as well as an up-to-date energy storage system.

Research Institute for Energy and Resources

It plans to develop technologies to improve on fuels, batteries, systems to store electricity, and ways to save energy in general. It aims to develop a midsize, windmill electric power generator of 100 kilowatts capacity.

It will pursue research on soil, the ocean floor, and underground resources.

Oceanic Research Institute

It will establish a 10,000-pyong research base in the South Sea. It also plans to complete building the comprehensive oceanic research vessel, On-nuri-ho, as well as the suboceanic tender vessel, Yio-do-ho, to launch a full-scale advancement in oceanic studies.

Institute of Genetic Engineering

It plans to establish a 2,000-pyong research wing to house such special projects as a cell bank and a place to test and analyze living organisms. It aims to develop biotechnological treatment methods, high-yield/high-concentration products, and environmentally safe agricultural chemicals.

Atomic Energy Research Institute

It will concentrate on treatment of radioactive waste materials to minimize harm and maximize benefit to the people. It will also pursue standardization of atomic power stations so that 95 percent of their atomic power technologies will be self-supported by the year 1995. It aims to complete building most of the atomic reactor for multipurpose research this year.

## No Promises Investment in Science, Technology

*SK2202090791 Seoul YONHAP in English 0733 GMT 22 Feb 91*

[Text] Daeduk, South Korea, Feb. 22 (OANA-YONHAP)—President No Tae-u said Friday that by 2001 the government would hike South Korea's spending on research and development in science and technology to the same level as advanced nations, 5 percent of the gross national product [GNP].

"The Gulf war proved the security capabilities of a nation depend on its science and technology levels," he said in speech marking the 20th anniversary of the state-run Korea Advanced Institute of Science and Technology (KAIST).

Also to promote science and technology, the government will set up branches of KAIST in cities across the country, increase enrollment in science and engineering colleges and establish more senior high schools specializing in science, No said.

He said the government would try to repatriate over 100 high quality scientists and technologists a year and push ahead with social improvements so scientists and technicians are respected.

In an intermediate step, the government would hike private and public investment to 3.4 percent of GNP in 1993, he said.

The projected figures compare with 2.51 percent of GNP in 1990 and 1.95 percent in 1987. Investment, which is experiencing rapid growth, will be 2.5 trillion won this year, surpassing the total for the seven years from 1980, the president said.

## * Senior Army Officers' Promotions, Reassignments

*912C0138 Seoul IRYO SINMUN in Korean 30 Dec 90 p 6*

[By Journalist Yi Tae-kol]

[Text] The end of the year senior Army officers' promotions and reassignments, which were confirmed on 21 December, are drawing intense political interest. Due to the delicate and complicated political situations in the Sixth Republic, promotions and reassignments are treated as a decision closely tied to President No's remaining term rather than merely an annual end- of-the-year affair.

After reviewing the results and background information regarding the changes, some interesting, as well as a few hidden-under-the-surface facts, can be revealed: 1) The government's steady promotions to upgrade the ROK's military role and status within the ROK-U.S. relationship has visibly improved; 2) Serious consideration has been given in selection of the military leaders who will be handling issues such as nonagression pacts and arms reduction, etc. at the North-South prime ministers' meetings; and 3) Contrary to past practices of "retirements of the Fifth Republic generals" and the "formation of pro-No Tae-u generals," these promotions and reassignments took a surprise turn with the promotion of Lieutenant General Kim Chin-yong (Korea Military Academy Class 17 (KMA 17). General Kim has been in the limelight for being a "political general" from the Fifth Republic to the beginning of the Sixth Republic, which ended with his appointment to an insignificant post in March 1989. Now he is promoted to full general and made the deputy commander of the ROK-U.S. Combined Forces Command (CFC). Also Lieutenant General Cho Nam-pung (KMA 18), who lost his position of commander of the Defense Security Command (DSC) and nearly retired due to the DSC scandal, became the commander of the Army Training and Doctrne Command.

A solid lineup of the so-called "9th Division Connection" is fast becoming a distinctive feature of the new military leadership. The three regimental commanders of the 9th Divison at the time of the 12 December [1979] Incident (President No Tae-u was the commander of the 9th Division at the time), Yi Mun-sok (KMA 17, commander of the 1st Army); Yi Pil-sop (KMA 16, commander of the 2d Army); Song Ung-sop (KMA 16, the first deputy chairman of the National Defense Chief of Staff (NDCS), have become full generals. An important post, commander of the DSC, went to Lieutenant General Ku Chang-hui (KMA 18), who was the chief of staff of the 9th Division at the time. Ku will succeed troubled Lieutenant General Cho Nam-pung.

The intersecting decision of the "reemployment of the Fifth Republic figures" and the "formation of the old 9th Division connections," can be classfied as the main characteristic of the December event. It could also be interpreted as an action closely tied with the strong desire to embrace the old Fifth Republic figures in order to be ready for the speculated "Second Political Reform" by the DJP (Democratic Justice Party) faction of the Democratic Liberal Party (DLP).

The government promoted two lieutenant generals to full generals, seven major generals to lieutenant generals and 10 brigadier generals to major generals.

Two full generals are Song Ung-sop and Kim Chin-yong. General Song Ung-sop, who has been an acting first deputy chairman of the NDCS and the chief of strategic planning, will become the first deputy chairman of the NDCS. General Kim Chin-yong, who once captured the nation's attention when he was sent to the insignificant assignment of commander of the Army Training and Doctrne Command, will return with a promotion and assignment to the important post of deputy commander, ROK-U.S. CFC.

The December promotions gave the ROK nine full generals: chairman of the NDCS; one each to Army, Navy, and Air Force Headquarters; deputy commander, ROK-U.S. CFC; one each to the 1st, the 2d, and the 3d Army Headquarters, plus an additional position of NDCS first deputy chairman.

Out of nine, the Army has seven generals and they are the most senior officers in the ROK military. General Chong Ho-kun, the only non-KMA graduate, is the chairman of the NDCS; General Yi Chin-sam (KMA 15) is the Army chief of staff; General Yi Mun-sok (KMA 17) is the commander of the 1st Army; General Yi Pil-sop (KMA 16) is the commander of the 2d Army; General Sin Mal-op (KMA 16) is the commander of the 3d Army, plus newly promoted General Song Ung-sop (KMA 16) and General Kim Chin-yong (KMA 17).

Other key positions in the Army include the Special Warfare Command commanded by Lieutenant General So Wan-su (KMA 19); Office of Policy and Planning in the Ministry of Defense directed by Lieutenant General Yun Yong-nam (KMA 19); the Capital Defense Command commanded by Lieutenant General Kim Chin-son (KMA 19); and the DSC with Lieutenant General Ku Chang-hui (KMA 18) in command. Three men from the KMA Class of 19, So Wan-su, Yun Yong-nam, and Kim Chin-son, were promoted to lieutenant generals in the December promotion.

Besides these three there are a few more lieutenant generals from the KMA Class 19 who hold key corps commanders' posts. With the exception of General Chong Ho-kun, now the Army is filled, like a pyramid with General Yi Chin-sam of the KMA Class 15 at the top, followed by the KMA graduates who were commissioned post 1960's. Members of the KMA Class of 21, who generated "fresh wind" by demanding "an antipolitical military," now fill the division commanders' posts supporting the corps commands.

In order to complete the Yi Chin-sam pyramid structure, four lieutenant generals: Lieutenant General Na Chung-pae (KMA 15), the current ROK-U.S. CFC Deputy Commander; Lieutenant General Yi Tae-hui (KMA 15), the Special Inspection Group Director; Lieutenant General Chong Man-kil, the Defense War College commandant; and Lieutenant General Kim Hak-ok, the Procurement Agency Director, are known to be retiring.

The most interesting aspect of the December promotions and reassignments are the promotions of Kim Chin-yong and Song Ung-sop to full generals. Especially Kim Chin-yong's promotion and appointment to a key post are totally unexpected and have generated numerous analyses and interpretations.

General Kim Chin-yong, now the deputy commander of the ROK-U.S. CFC, has been known as a "political general" and a "Fifth Republic man" because of his active involvement with Chon Tu-hwan in 1980, when the Fifth Republic was born. Furthermore, he was the main figure in the rumor of a "military coup centered on the KMA Class 17" during the politically difficult "29 June [1987]" period. Also he was accused of being a bridge between the Fifth and the Sixth Republics because of his appointment by Chon Tu-hwan to a key post, the Capital Defense Command, just before the Sixth Republic was inaugurated.

With this, the Capital Defense Command became the source of possible "military coup" rumors during the time the National Assembly's majority was held by the opposition. The rumors were strong enough that then Lieutenant General Kim Chin-yong invited a large number of media reporters to his command and he half jokingly explained that he had no intention of staging a coup.

In March 1989, when the country was deeply involved in the National Assembly's hearings of the Fifth Republic's irregularties, the government conducted a major reassignment of senior military officers, and Kim Chin-yong was sent to the insignificant post of the Army Training and Doctrine Command. Kim's reassignment and the retirement of Lieutenant General Choe Pyong-uk (KMA 16), who was the commander of the Army Training and Doctrine Command, was assessed by political observers to be President No's "severance to the Fifth Republic," "formation of No's military structure," "nonpolitical military," and "severance with Chon's men." In other words, the image of Kim Chin-yong has been closely tied to "politics" and the "Fifth Republic."

Now the same Kim Chin-yong has been promoted to full general, and appointed to a very important post. Last month, Choe Pyong-uk, who was forced to retire, was appointed to be the director of the Office of Forestry. Also, due to the DSC scandal, Lieutenant General Cho Nam-pung was removed from the DSC commander's post and sent to Army Headquarters to wait without a job, which caused many to believe that Cho would end up retiring to meet the political and national demands of "military reform." However, contrary to expectations, Cho was retained in the Army and given the job of commander of the Army Training and Doctrine Command, which indirectly revealed the military's internal talks and feelings about Cho as well as President No's strong trust in Lieutenant General Cho.

Although General Kim Chin-yong's promotion and assignment to a key post, and the appointment of Choe Pyong-uk to be the director of the Office of Forestry are two different matters, the military and the government, its symbolic revolution of the "Sixth Republic's preference treatment of the Fifth Republic," was more than enough to attract attention.

However, the case of Lieurenant General Cho Nam-pung is a little different. When Cho, a field army soldier, was appointed to a key post instead of a politician's being appointed, he brought a bit of fresh air to the military, and both the military and political sectors wholeheartedly welcomed Cho's appointment to the DSC. Cho was known to be doing a good job at changing the DSC and its public image. However, an incident involving DSC's Corporal Yun Sok-yang, who in October 1990 exposed past involvements of the DSC, brought an abrupt end to Cho's DSC command post. However, many were unhappy about the government's sacrificing Cho and claimed that it was an act of "weakening of the DSC reform effort." The consensus within the military also disapproved of "ending the career of Cho, a man with a fresh field army image, because of the DSC scandal."

The promotion of Song Ung-sop to full general, and his being made the first deputy chairman of the NDCS, removing the acting deputy title, is a very meaningful act for the ROK's Armed Forces. Upgrading the post of the first deputy chairman's rank to full general from lieutenant general added one more full general to its regulation eight.

The upgrade of the first deputy of the NDCS was an expected action ever since the headquarters was established and the military leadership was redistributed, giving the top leadership role to the NDCS. Also, it was a fact that General Song Ung-sop was the most qualified candidate for the job.

From the annual meeting of the ROK-U.S. Security Pact, held in Washington D.C. last November, came agreement that the U.S. will transfer the post of the commander of the Ground Combined Command (GCC) under the ROK-U.S. CFC to an ROK general by the end of 1992. The GCC consists of the ROK's two field commands, the 1st and the 3d Army, and the U.S. 2d Division. The 8th U.S. Army commander performs dual duty as its commander. When this transfer takes place, the post should go to the first deputy chairman of the NDCS, who, without question, should be a full general. Therefore, the government decided to go ahead and have one more full general despite some oppositon. It was known that in order to raise the morale and pride of an "independent nation," the government wanted to upgrade the forthcoming CFC's GCC commander's rank to full general.

Along with General Song's promotion, another change is expected. The South's military representative at the North-South prime ministers' meetings is expected to change.

Up to now there have been three prime ministers' meetings between Seoul and Pyongyang, and the South's military representative was General Chong Ho-kun, the chairman of the NDCS. Before military reform, the chairman of the Joint Chiefs of Staff advised the Defense Minister, which was correct protocol for the chairman to represent the military at the meetings. However, since the military reform, the chairman of the NDCS was made the top leader of the ROK military who has total leadership, including operational control, over all three services. Attendance of such meetings by the top military leader is considered not very appropriate, thus, the need for a general who can fill this seat and represent the South's Armed Forces. It was the consensus that the general must come from the NDCS, and should be a full general.

General Song was the most suitable man for the job, according to talk within the military, because of his deep knowledge of the relationship between the North and the South, as well as his well-known arms reduction expertise.

In other words, General Song will wear several hats when things come together. He will be the first deputy chairman of the NDCS, the South's military representive at the North-South prime ministers' meetings, and he will be the commander of the ROK-U.S. CFC's GCC in 1992. It is also possible that the position may slide into the deputy commander's post of the ROK-U.S. CFC as well.

However, the appointment of General Kim Chin-yong to the ROK-U.S. CFC's deputy post makes the above speculation unclear.

It is noteworthy that with the promotion of General Song, all three regimental commanders under the 9th Division, at the time of the 12 December Incident, made full general, thus establishing a firm military foundation for President No's remaining term. General Yi Mun-sok, the commander of the 1st Army, was the first from the KMA 17 to join the rank of full general. General Yi was the commander of the 28th Regiment under the 9th Division. He was followed by General Yi Pil-sop, who is the commander of the 2d Army, and was the commander of the 19th Regiment under the 9th Division. With General Song, who was the 30th Regiment commander, now joining the rank of full general, all three "mates of the 9th Division Regimental Commanders" became full generals, the "flower of the military." They could not have been any luckier than to be where they were.

Political observers unanimously agree in their assessment that the secret of their "luck" is the "product of President No's political framework for his remaining time in office."

Looking at the ROK's political trends, it is generally understood that important marks are given to the role of the military, which has been its leverage to political power and security. Therefore, the whole nation's eyes and ears are focused on the military personnel changes when it happens and each time the people look for possible linkage between the military and the government. The Sixth Republic's case cannot be an exception.

President No's efforts to heal the scars left by the Fifth Republic and to bring the military closer to government began in June 1988 through the annual military personnel changes. President No appointed then Lieutenant General Yi Chin-sam, who is the current Army chief of staff, to deputy Army chief of staff, and promoted Yi Mun-sok, who was the chief of operations at the Army Headquarters, to lieutenant general and made him the special warfare commander. Also, in December 1988, President No appointed Major General Cho Nam-pung to the DSC.

However, the real military personnel changes did not occur until 28 March 1989. At last, generals, like Kim Chin-yong and Choe Pyong-uk, etc., whom Chon Tu-hwan placed here and there just before his term was up, were either retired or removed from key posts. Also, Major General Ku Chang-hui was promoted to lieutenant general, and was given a key post, the Capital Defense Command. Also, Cho Nam-pung was promoted to lieutenant general. The most noteworthy event of the time was definitely the promotion of then Lieutenant General Yi Chin-sam, who was earlier promoted in June 1988 to lieutenant general, and assigned as deputy Army chief of staff. He was promoted to full general [in March 1989] in less than 10 months, and appointed as commander of the 1st Army.

In June 1990, one year and three months after the March 1989 military personnel changes, General Yi Chin-sam became the Army chief of staff, as expected. The deputy Army chief of staff, Yi Mun-sok, replaced General Yi Chin-sam's 1st Army Command. In other words, formation of the Yi Chin-sam military structure began early in the Sixth Republic, and as time went on, the Yi Chin-sam pyramid was supported and strengthened as a "pro-government structure."

So, as an exception to all this, reemployment of the "Fifth Republic's political generals" is a rather unusual action. However, the political and military observers are in agreement that the action is carefully calculated and closely tied to President No's remaining term rather than an irrational action.

Speculation has it that President No's military structure for his remaining term is expected to be completed in April when General Chong Ho-kun's term as chairman of the NDCS is finished. High interest is focused on General Yi Chin-sam. Will he be replacing General Chong or finishing out his 3-year term as the Army chief of staff?

Since the military structure is directly connected to the "successor of President No" issue in the DLP—a power struggle between No's people and non-No's people—any politically symbolic meaning can become a very important factor.

## Chinese Trade Advance Team Scheduled To Arrive

*SK2102075791 Seoul YONHAP in English 0534 GMT 21 Feb 91*

[Text] Seoul, Feb. 21 (YONHAP)—A 10-member advance team to prepare for the opening of a Chinese trade representative office in Seoul will arrive Feb. 28, the Foreign Ministry said Thursday.

The team will be led by Liang Wen, assistant representative of China's trade office in Seoul.

"The exact date when Xu Dayou, head of the trade office, and the vice chairman of the China Chamber of International Commmerce (CCOIC) will visit Seoul was not yet set," a ministry spokesman said. Opening of the trade office might be delayed until late March, he said.

China will also send a nine-member team headed by Pei Jaiyi, vice representative of the office, about March 15.

Korea opened a trade representative office in Beijing Jan. 30.

## Soviet, Chinese Technicians To Be Trained

*SK2102101991 Seoul YONHAP in English 0812 GMT 21 Feb 91*

[Text] Seoul, Feb. 21 (YONHAP)—South Korea will train 338 technicians and public workers from the Soviet Union, China and Southeast Asia this year and send 40 specialists to give those nations technical assistance.

The schedule includes workshops for 29 Soviets and 13 Chinese and the dispatch of two technical experts to the Soviet Union, the Foreign Ministry said Thursday.

The Ministry said it expects to improve ties with ASEAN (the Association of Southeast Asian Nations) by sending technicians to Malaysia, the Philippines and Indonesia. Korea was recently made an ASEAN full-dialogue partner.

## Difficulties of DPRK Expansion in Macao Cited

*SK2202062991 Seoul CHUNGANG ILBO in Korean 21 Feb 91 p 8*

[By Kim Taek-won from Macao]

[Text] It seems that North Korea is trying to make Macao an advanced base to the outside world since it is prohibited from entering Hong Kong, the greatest gateway to China and Southeast Asia. It seems, however, that this is fraught with difficulties.

There are no particular difficulties for North Korea in carrying out its activities in Macao because North Korea has ambassadorial-level diplomatic relations with Portugal, Macao's colonial government and China, which is the greatest ally of North Korea, is the practical owner of Macao.

Through Macao, Hong Kong's electronic equipment and computers are brought into North Korea and even young North Korean women buy South Korean made clothes like hotcakes in the markets of Macao which are supplied by the South Gate market in South Korea. This shows the atmosphere of Macao, which is North Korea's door to the outside.

In the early stage, however, North Korea experienced difficulties in Macao. Some years ago four North Korean agents were killed due to a traffic accident. North Korea also received international criticism when it was learned that Kim Hyon-hui, who bombed a Korean Air Lines plane, received training in Macao. The Korea-Macao International Tourism Corporation, which was started with the intention to promote tourism, is currently in danger of going to ruins.

The reason that this corporation is not opening its doors is that there is a difference in opinion between the North Korean side and the Macao administration concerning the function of a travel agency and the "function of issuing visas."

A North Korean concerned at the Korea-Macao International Tourism Corporation said: "We will personally issue visas to foreign tourists in Macao. There will be no need to apply for a visa in Pyongyang." He also said that the only problem left is "the procedures and time," and that in the near future it will be possible for the corporation to officially open its business.

However, on 9 January, the Macao administration issued a statement flatly denying this. It said: "The Korea-Macao International Tourism Corporation has not yet been allowed to carry out consular work. Therefore, no kind of visa may be issued at this time." It also revealed that the establishment of the consular office must follow the internationally accepted norms and practices and receive approval by the central government.

It was learned that as long as the function of issuing visas is not allowed, the North Korean side has no intention of opening the Korea-Macao International Tourism Corporation simply as a travel agency. Therefore, if North Korea does not reach formal agreements with the Portuguese Government, this corporation might not be able to shed light to the end.

As the future of the Korea-Macao International Tourism Corporation is becoming vague, recently there have been rumors among the concerned sources in Macao saying that there is discord within the Hong Kong-Hualin Corporation (president: Huang Chenghua), a joint venture company based in Macao between North Korea and Macao, which may result in separation.

It has not been revealed how Huang Chenghua, who is known to be one of the bosses of Hong Kong's biggest criminal organization "Triad," became a partner in North Korea's tourism business. Nevertheless, in mid-October of last year in Pyongyang Huang received credentials as North Korea's honorary consular to Macao.

It was learned that Huang acquired considerable rights and privileges in the trade with North Korea at the cost of cooperating with North Korea in Macao

When viewing from the perspective that the price of North Korean sea food such as squid, which is being exported to Taiwan, makes up only 20-30 percent the level of the international market price, connecting businesses to North Korea guarantees great interest.

It was learned that recently, when North Korea's Premier Yon Hyong-muk visited Thailand, Huang went to Bangkok to meet Yon. It seems that this was for the purpose of appealing to the North Korean Government to somewhat alleviate the tendency to carry out the function of issuing visas and to support the Macao administration in carrying out this work.

It seems that the reason that the Korea-Macao International Tourism Corporation is drifting is that North Korea has neglected or showed insufficient measures regarding the internationally accepted norms and practices and that it was greedy in trying to entrust other roles to a mere "travel agency."

## Burma

### Commission Cancels Status of 4 Representatives

*BK2202065391 Rangoon Domestic Service in Burmese 1330 GMT 21 Feb 91*

[Announcement No. 913 of the Commission for Holding Multiparty Democratic General Elections of the Union of Myanmar, dated 21 February]

[Text]

**Subject:**

Announcement on the cancellation of the status as elected People's Assembly representatives, who were elected as People's Assembly representatives, for infringing the stipulations of sub-section G, section 11 [being decided by a court as being members of an organization declared an unlawful association according to an existing law] of the Elections Law. 1. The following persons were elected as People's Assembly representatives from the undermentioned constituencies in the multiparty democratic general elections held on 27 May 1990:

| | |
|---|---|
| U Than Aye alias U Than Sein | Pale constituency-1 |
| Dr Tint Swe | Pale constituency-2 |
| U Maung Maung Aye | Mandalay Northeast-1 |
| Dr San Aung | Ingapu constituency-2 |

2. A court concerned has determined that there is concrete evidence that the abovementioned persons have formed a parallel government to revolt against the state, that they have contacted and collaborated with armed insurgent groups or their members, and that they have formed organizations to carry out antigovernment activities. 3. As they are found to be in violation of section 11-G of the People's Assembly Election Law, the commission has announced the cancellation of their election as People's Assembly representatives.

By the authority vested in me:

Signed: Aye Maung, secretary

### Editorial Remarks on Drafting Constitution

*BK2202111491 Rangoon WORKING PEOPLE'S DAILY in English 8 Feb 91 p 6*

[Editorial entitled: "Objective: Constitution-making"]

[Text] A horse without reins. A boat without a rudder. Such common expressions provide a vivid depiction of the kind of human enterprise or venture without consistent direction. Goals, targets and objectives of a specific as well as general nature are essential if any kind of satisfactory progress is to be expected. In fact, the amount of progress made would defy appraisal if the objectives remain unknown. Where do we wish to go?; What do we wish to achieve? How should we go about achieving it? How soon should it be?... These are just some of the factors which must be known. These are fundamental questions which must be known even in such an everyday mundane matter as walking out of the front door. When it concerns a nation and its people, the problem is infinitely greater.

Our readers will readily recall that the State Law and Order Restoration Council on assuming the responsibilities of State declared in plain language the four immediate tasks which it would address and it has been living up to its vow. The Objectives for the 44th Union Day Anniversary is a natural extension of the initial objectives stated.

To bring forth a constitution is without doubt the most important single task which confronts the nation today. A constitution is the most fundamental legal document on which is to be based all the laws of the land. And as such all the peoples of the nation whose lives will be effected one way or another have a stake in seeing that this fundamental law fulfils national needs, ideals and aspirations.

Hence, the job of creating a State constitution is the concern of all the nationalities of the Union. It certainly should not be the prerogative of any single dominant organization, political or otherwise. This, the State Law and Order Restoration Council has already made clear and declared that it does not aspire to frame a constitution on its own.

The hope at one time was that some sort or constituent assembly could be put together for the purpose after the election. But the political parties are too preoccupied with their own problems and uncompleted procedural matters to be able to get down to the task any time soon.

The State Law and Order Restoration Council assumed the responsibilities of State in order to save the nation. It was an unavoidable step which had to be taken. But as it has declared, it does not wish to hold on to power. Rather, it wishes to have a firm constitution framed, approved and adopted by all the peoples of the Union. This is one of the objectives for the 44th Union Day Anniversary. It is the primary duty of all citizens to make it a reality with no time lost.

### Satellite Ground Station Inaugurated in Myawadi

*BK2102085591 Rangoon Domestic Service in Burmese 0630 GMT 21 Feb 91*

[Excerpt] An inaugural ceremony to open a satellite ground station and town construction projects was held in Myawadi at 0800 on 12 February.

The ceremony was attended by Colonel Tin Ngwe, deputy commander of the 44th Frontline 44th Light Infantry Division, and military officials; U Saw Wu Lei Du, project engineer of the Myanmar [Burma] Communications Service; U Mahn Ohn Ngwe, manager of the

Myanmar Communications Service, and responsible officials; Major Win Kyi, chairman of Myawadi Township Law and Order Restoration Council, and members, departmental officials; public service personnel; and local people. [passage omitted]

### 7 Rangoon Soldiers Defect to Student Group

*BK1702034191 Bangkok THE NATION in English 17 Feb 91 p A4*

[By Somchit Rungchamratrasmi]

[Text] Mae Sot, Tak—Seven Burmese Army troopers have defected to join dissident Burmese students who had formed a military wing to fight the junta in Rangoon and more are expected to follow suit in the coming weeks.

The group aged between 25-30 led by Sgt Kyaw Khine from the 515th Battalion defected on Feb 1 to join the students of the All Burma Students' Democratic Front (ABSDF) at Pobatha camp, located opposite Tha Song Yang district of Tak Province, according to Maung Di, a senior ABSDF member.

Maung Di told THE NATION that the seven decided to abandon the Burmese Army because they had lost confidence in the military government under Gen Saw Maung which has kept delaying the transfer of power to the winners of last year's May general election.

Three more Burmese soldiers had also deserted to join with the dissident movement during the past month, he said, adding that all 10 brought their arms with them. Maung Di expected more army defectors in the coming weeks.

Informed Karen sources cited intelligence reports that the Burmese forces who have been assigned to launch military operations against the armed ethnic resistance on the Thai-Burmese border are facing both heavy casualties and severe food shortages. But the Burmese junta officially known as the State Law and Order Restoration Council has tried to suppress news about the situation.

The sources said the Karen National Union (KNU) as well as the Democratic Alliance of Burma, which is an umbrella organization of 21 dissident minorities, students, monks and Burmese groups, welcomed any Burmese trooper who supported democracy and peace for Burma.

Meanwhile, Col Wichai Athit, deputy commander of the Task Force 34 at Mae Sot, has denied a Burmese allegation that Thailand has permitted the KNU to use Thai territory to attack the Burmese Army.

Their allegations that the KNU had fired about 112 mortar shells at the Burmese between Feb 8-9 from Ban Mae Hla in Tha Song Yang, in Thai territory were unfounded, Wichai said.

He said he had called for an investigation into the case after the Burmese Army raised the issue and found that no KNU units had used the area which is well protected around the clock by local Thai officers.

## Brunei, Malaysia & Singapore

## Malaysia

### Saudi Ambassador Assures Safety for Pilgrims

*BK2102050291 Kuala Lumpur BERNAMA in English 0325 GMT 21 Feb 91*

[Text] Kuala Lumpur, Feb 21 (OANA-BERNAMA)—The Saudi Arabian Government has assured Muslims that it is safe to perform the hajj this June despite the Gulf war.

Its ambassador to Malaysia, Muhammad al-Hamad al-Shubayli said the holy cities of Mecca and al-Madinah, visited by Muslims during the pilgrimage, were far from the area of military conflict.

He said there were no restrictions on Muslims to perform hajj and the Saudi Government would issue the visas for them.

Commenting on the Gulf war, Muhammad said his government would adhere to its stand that Iraq should withdraw unconditionally from Kuwait.

"Once the Iraqis withdraw completely, the war will end," he added.

### Islamic Party Urges U.S. Coalition Withdrawal

*BK2202075291 Kuala Lumpur BERNAMA in English 0657 GMT 22 Feb 91*

[Text] Kuala Lumpur, Feb 22 (OANA-BERNAMA)—The international Islamic movement conference held in Pakistan recently decided that more pressure should be put on the allied forces to make them back out of the Gulf war.

Fadzil Noor, president of the opposition Islamic-based party, PAS [Pan-Malaysian Islamic Party], who attended the three-day meeting from February 15, said the decision formed one of 20 points contained in a resolution adopted by the conference.

He told a press conference here that the withdrawal of the United States-led forces would pave the way for peace talks for Iraq to leave Kuwait and seek appropriate and fair settlement of other problems in the region.

The meeting also expressed support for the Palestinian cause and agreed to aid the intifadah movement against Zionist oppression.

Fadzil also said 20,000 volunteers had signed up to date to assist in non-military activities in the Gulf war.

## Mahathir Reveals Sabah Party's Secession 'Plot'

*BK2102140591 Kuala Lumpur Domestic Service in English 1330 GMT 21 Feb 91*

[Text] Prime Minister Datuk Sri Dr. Mahathir Mohamed says the government is aware of a plot by the ruling Parti Bersatu Sabah, PBS, to secede Sabah from Malaysia and set up an independent state. The government is also aware that Datuk Dr. Jeffrey Kitingan, younger brother of the Sabah chief minister, has ambition of becoming president of Sabah.

Datuk Sri Dr. Mahathir made the disclosure in his speech opening the 23d general assembly of USNO [United Sabah National Organization] and launching UMNO's [United Malays National Organization's] entry into Sabah in Kota Kinabalu. He also told a news conference afterwards that the government knew of PBS's links with a country to realize its objective. He did not name the country. The prime minister said Datuk Dr. Jeffrey Kitingan with the Institute of Development Studies, IDS, in Sabah was working toward the objective of raising the 20-point issue and accusing the federal government of neglecting Sabah. The 20-point issue is associated with the conditions relating to the rights of Sabah when it joined Malaysia.

Datuk Sri Dr. Mahathir said the problem had been resolved during USNO's rule but was intentionally brought up again by the PBS. He said that since the PBS came to power in 1985, it had poisoned the minds of the people and (?groomed) them to hate Malaysia. He added that the people of Sabah never had hatred for the federal government and people in the [Malay] peninsula. But now, even the Muslims have been influenced.

The prime minister said the government had no evidence that the people of the state wanted to revolt or launch a revolution against Malaysia. The government would act if there was a clear evidence of this.

Datuk Sri Dr. Mahathir questioned the sincerity of PBS in wanting to form a coalition government with USNO in the state. He said the matter was raised because PBS (?thought) that UMNO's coming to Sabah would threaten the position and interests of its leaders. He stressed that if the PBS wants to cooperate, its leaders must be sincere and uphold Malaysia, not work toward separating Sabah from Malaysia.

Replying to questions from reporters, Datuk Sri Dr. Mahathir said there had been no further discussions thus far with PBS on the proposed cooperation. He also denied that the federal government had put pressure on the PBS for having withdrawn from the Barisan Nasional.

Datuk Sri Dr. Mahathir said the prosecution of Sabah Chief Minister Datuk Joseph Pairin Kitingan for corruption had no connection with politics. The law did not spare anybody.

On UMNO, he said there was no suggestion for the party to spread its wings to Sarawak after having come to Sabah. He also said that UMNO had never intended to come to Sabah but developments of late had necessitated this. The prime minister said explanations and briefings would be given to the people of Sabah to enable them to understand and appreciate the working of UMNO.

## USNO Chief Urges Sabah People To Join UMNO

*BK2102142391 Kuala Lumpur Domestic Service in English 1330 GMT 21 Feb 91*

[Text] USNO [United Sabah National Organization] President Tun Datu Mustapha Datu Harun has urged all bumiputeras [indigenous people] in Sabah to become members of UMNO [United Malays National Organization] to realize their aspiration together with all Malaysians. He also called on all USNO members to join UMNO [words indistinct] but eleven members will remain to look after the party. Tun Mustapha officially announced to the USNO general assembly that he had joined UMNO. However, he will only relinquish his post as party president after chairing the party's 23d assembly which will end on Saturday. The assembly was opened by Prime Minister Datuk Sri Dr. Mahathir Mohamed who also launched the entry of UMNO into Sabah.

Tun Mustapha said the future of the people of Sabah is with Malaysia. Their children and grandchildren must have a platform to step across the entire country, not only in the state. The aspiration of the people of Sabah in joining Malaysia is to progress hand in hand with Malaysians in other states. He stressed that it is only with full involvement in the national context that the people of Sabah can bring their aspiration to the leadership at the national level. He said UMNO in Sabah would become the channel for the people in the state to achieve their aspiration to progress and develop. He stressed that the time had come for the people of Sabah to review their role and position as citizens of Malaysia.

## Hungarian Deputy Foreign Minister Visits

*BK1902064591 Kuala Lumpur International Service in English 0600 GMT 19 Feb 91*

[Text] Hungary plans to set up an embassy in Kuala Lumpur and abolish visa requirements for Malaysians. Its deputy foreign minister, Tamas Katona, says the move is aimed at enhancing economic and cultural cooperation between the two countries.

He was speaking to reporters on arrival at the Kuala Lumpur International Airport for a 4-day official visit to Malaysia. Mr. Katona said the Hungarian Government hopes to further strengthen cooperation, especially in the fields of trade and communications with Malaysia.

### Deputy Minister Meets Counterpart

*BK1902132091 Kuala Lumpur BERNAMA in English 0821 GMT 19 Feb 91*

[Text] Kuala Lumpur, Feb 19 (OANA-BERNAMA)—Malaysia and Hungary have agreed to make their capital cities the launch pad for marketing of their goods in Eastern Europe and ASEAN respectively, Deputy Foreign Minister Dr. Abdullah Sadzil Che Wan said Tuesday. But before Kuala Lumpur and Budapest can assume that role, both countries would have to step up trade collaboration, he said.

The agreement was reached during a 90-minute meeting between him and his Hungarian counterpart, Tamas Katona here.

Dr. Abdullah Fadzil said bilateral trade had been minimal and was currently in Malaysia's favour.

The trade volume last year was Malaysian $39.7 million (about US$14.7 million), in 1989 Malaysian [M] $41.7 million (about US$15.4 million) and in 1988 M$27.3 million (about US$10million). Malaysia exports primary commodities to Hungary and imports machinery and pharmaceutical products.

"We have agreed to encourage more visits between leaders and private sector officials of both countries and to look into ways to promote tourism and medium-range industries," he said. He also said tht he had briefed Katona on the Malaysia-initiated East Asian Economic Grouping.

"I have explained to him that the proposed grouping is not a trade bloc but one to ensure free and fair trading in the world," he said.

Katona arrived here Monday night for a four-day visit, the first by a top Hungarian official since the formation of the elected government in that country in March last year. He had also called on Foreign Minister Abu Hassan Omar.

### Finance Minister Optimistic Despite Gulf War

*BK2102120991 Kuala Lumpur NEW STRAITS TIMES in English 19 Feb 91 p 5*

[Text] Finance Minister Datuk Paduka Diam Zainuddin expressed confidence yesterday that Malaysia could sustain a high economic growth of 7.8 per cent despite the outbreak of the Gulf war.

He said although Malaysia realised that the war would create an impact on the world economy, it had, however, the capability of maintaining development.

Tabling the Budget Bill for its second reading at the Dewan Negara [senate], he said the Gulf war had affected various aspects of the Malaysian economy, including tourism, transportation, insurance and the cost of production.

"The Government is monitoring the impact of the Gulf war on the impact of the Gulf war on the national economy to prepare policies and actions to reduce negative effects."

He added that the Government's new policies to adapt to the changes, the imposition of more relaxed conditions and its stable domestic source of growth would assist the Government in reducing the effects of the war.

Datuk Paduka Daim had said that Malaysia would achieve an economic growth of 7.8 per cent when tabling the Budget Bill at the Dewan Rakyat [house of representatives] on Dec 14 last year.

He said the forecast was based on world economic prospects, which would have a slower growth, especially in industrial countries where the growth rate may fall to 1.5 per cent.

Datuk Paduka Diam also said there would be continued foreign and local investments in Malaysia as there was confidence in the country's stable economic conditions.

Last year alone private investment proposals totalling [Malaysian] $28 billion were approved.

"This is an increase by more than 130 per cent. Out of this 63 per cent were by foreign investors."

He said foreign investments alone increased by more than 100 per cent while local investments rose three-fold.

Datuk Paduka Diam said careful economic management planning by the Government through fiscal and financial policies since 1985 had brought about rapid economic growth.

He also said new developments, including regional economic pacts and changes in international trade, would provide the country with new challenges.

"The Government realises these changes and will take appropriate measure to ensure that Malaysia's economy continues to grow," he said.

Datuk Paduka Daim added that the Sixth Malaysia Plan to be tabled later this year would create a foundation for Malaysians to achieve further success.

"The Government will continue to create better investment environments to attract more private investors.

"Thus, it is very important to control the cost of production, including wages, to enable us to compete with the international market," he said.

The Government had proposed a Budget of $38.4 billion for 1991. Of this amount, $29.04 billion or 75 per cent was for management expenditure while $9.4 billion was for development.

The Budget was an increase of 15 per cent over the previous year's.

Datuk Paduka Daim also expressed confidence that Education Minister Datuk Sri Anwar Ibrahim, who becomes Finance Minister on March 15, could meet all challenges and would bring further improvement to the economy.

## Cambodia

### Hun Sen Reaffirms Stand on UN Plan, Opposition

*BK2202101391 Phnom Penh Domestic Service in Cambodian 0430 GMT 22 Feb 91*

[Summary] "Comrade Hun Sen, member of the party Central Committee Political Bureau and chairman of the State of Cambodia's Council of Ministers, accompanied by Comrade General Bou Thang, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, chief of the General Political Department of the Cambodian People's Army, and chairman of the Committee for Developing the Northeast Region, and a number of comrade ministers and deputy ministers, recently visited the northeast provinces to assess the development of localities in the past 12 years plus and to discuss plans to develop these localities.

"During the week-long mission, Comrade Hun Sen took part in mass meetings in Ratanakiri, Mondolkiri, and Stung Treng Provinces at which the comrade chairman of the Council of Ministers informed the people, masses, and state authorities about the political struggle, with a flexible attitude and goodwill, of the State of Cambodia's Government in solving and ending conflict in Cambodia. Comrade Hun Sen also talked about all kinds of maneuvers of the other Cambodian side which tries to bring back the genocidal Pol Pot regime to massacre the Cambodian people again.

"Following are excerpts from Comrade Hun Sen's speech made at a mass meeting in Stung Treng Province on 19 February."

[Begin Hun Sen recording] I am happy to be here today. As part of this working visit, I have traveled to Mondolkiri, Ratanakiri, and from there arrived here in Stung Treng Province by road. "On behalf of the party and government, and in my own name, I would like to express admiration for all the past achievements of the people, clergy, and armed forces in Stung Treng Province and wishes that these successes be greater in the future. [applause]"

Compatriots have always asked me when Cambodia would get peace "after a long war which has lasted for over 20 years." "As the one who has been entrusted by the party, government, and the Cambodian people to conduct negotiations with the other Cambodian side, as well as attending international conferences to solve the Cambodian problem...I have always replied: Please ask Pol Pot, ask Sihanouk, ask Son Sann when the war will end."

We started negotiations in 1983-84 when I was deputy prime minister and foreign minister. "I was in France in 1984 to conduct secret negotiations with King Norodom Sihanouk, but the latter replied to me that he cannot talk because the Pol Pot group does not want to. Since then, we knew that politically Samdech Norodom Sihanouk was not independent." "In 1987, we tried again to talk to Sihanouk amid strong oposition from the Khmer Rouge and Son Sann." "What we signed with Sihanouk in 1987, and later on, could not be implemented because, although Sihanouk is the head of the tripartite coalition government of Pol Pot's Democratic Kampuchea, he has no right to implement those decisions he made."

"Our government and party are not responsible for the war taking place in our land. We ask this question: Who started this destructive war in Cambodia?" "In 1970, the transfer from peaceful progress to war was made due to the Lon Nol group's coup to topple King Sihanouk, seize power from Sihanouk, and bring U.S. troops to commit agression against Cambodia." "I was only 18 years old then and was not a politician; I was just an ordinary citizen." "Later on, we entered another phase: the genocidal Pol Pot regime. This was the second cause for the blood-letting war in Cambodia. We are not responsible for the death of millions of people. The responsibility lies with the Pol Pot group, with Sihanouk in it between 1975 and early 1979." Since 1982, these people—the Pol Pot group, Sihanouk and Son Sann—have set up a coalition government with Sihanouk as head.

Over the past 12 years, of all our achievements, "we should note two special points for judging the situation." "The first point: Cambodia got out of the genocidal Pol Pot regime," which left behind largescale destruction and suffering in the country. We started from scratch while Samdech Sihanouk's regime inherited French economic and social infrastructures and aid from a number of countries. The Lon Nol regime also inherited what was left by Samdech Sihanouk. Pol Pot usurped power from the revolution and the Cambodian people after the liberation on 17 April 1975. "The second point we should note is that we started from scratch and proceeded in a situation with peace and war at the same time." We had no choice but to fight this war because it was imposed on us "because if we did not oppose this war, it is certain that the Pol Pot regime would return." We should judge our achievements over the past 12 years against this background. We should remind our children of all the suffering under the Pol Pot regime and the U.S. war of aggression in Cambodia.

We have restored Buddhism and the customs and traditions of all nationalities. "Everyone should realize that religion is now linked to the revolution. Without this state authority, and if the latter is toppled, there would be no Buddhism." The Pol Pot regime should not be allowed back to safeguard religion and the customs and traditions of nationalities. "In our negotiations, Samdech Sihanouk gave me credit for this, for having a free economy, schools, Buddhism, cinemas". "Sihanouk had 16 years to build the country with peace and a large capital at his disposal. What did he achieve? We should not deny that there was something. In 12 years in a war-and-peace situation, what we have achieved is praiseworthy. We are not boasting; we should be humble. But we should be reasonably proud." We know there are still problems such as building communication lines. It is important. "I envisage that next year, many roads will be built in this northeast region."

"A few days ago, Thai Prime Minister Chatchai Chunhawan invited me to visit Bangkok, Thailand. Due to my schedule, however, which requires me to be in the country to solve major problems, I could not make the trip. I instead dispatched Foreign Minister Hor Namhong to make this visit." [passage indistinct] There is a new initiative on building Cambodia before a political solution. The Thai side wants to start immediately to build infrastructures, such as roads, ports, airfields, and a number of bases before a political solution." "This is a good idea; we welcome it." "We want suffering Cambodian refugees in Thailand to return home in accordance with their request but the tripartite alliance says that the refugees can return once there is a political solution. Our refugees are being used as political bait. They are being used as the basis for building the alliance's armed forces and as a political base, and also used for attracting foreign aid." The other side thinks of nothing but destroying the country. "It has even prevented UNESCO from providing funds for restoring Angkor Wat for 10 years. In 1989, it could no longer stop the movement calling for Angkor restoration and agreed to let UNESCO come to Cambodia. Now it is trying to find a pretext to delay the dispatch of UNESCO specialists to carry out urgent restoration work."

"We appeal to the other side to reconsider its stance on this issue of rebuilding the country" before or after a political solution because this would benefit the entire Cambodian people. "The other side should not erroneously think that rebuilding Cambodia before a political solution would strengthen the position of the Phnom Penh government, which will then not seek a political solution. The political solution is our final goal and persistent aspiration; we are and will be working toward it to achieve peace for the Cambodian people through negotiations."

"The talks now reach a decisive phase; however, there are still many obstacles before reaching a political solution." "I would like to stress that in any political solution to the Cambodian problem, if punishment and prevention of the Pol Pot genocide are not mentioned, we will absolutely not sign it. We would rather die than allow the genocidal Pol Pot regime to return through a political solution under the cover of Sihanouk and Son Sann. We should be clear on this point. Those wishing to take part in elections should declare in writing that they oppose the Pol Pot genocide." "Our opposition to the document which does not mention this issue is reasonable. As head of the government and a member of the Supreme National Council [SNC], I will not sign and will not agree with anyone if there is no mention of preventive measures against the Pol Pot genocide. This is not a light matter."

"The other side also demands the dissolution of the Phnom Penh government and our armed forces while not making any promise whether they can gather all the weapons, ammunition, and troops of Pol Pot, Sihanouk, and Son Sann." "This we cannot accept." Furthermore, "the SNC is only the symbol of Cambodia's independence and sovereignty and not a government. Our government absolutely will not be dissolved. Not only will the government not be dissolved but at village level, village and commune heads will also not be dissolved. Therefore, the Khmer Rouge are violating the agreement. They have not discussed with me, an SNC member for the Phnom Penh side, the establishment of village and commune national councils which supposedly represent Sihanouk, Son Sann, Khieu Samphan, and Hun Sen. I do not know about this." "I would like to stress that there is no question of dissolving the armed forces and state authorities; this cannot be done, neither through the Supreme National Council nor the UN administration."

"Let us put it this way: We do not oppose the dissolution of our government and the new way of administering the armed forces. But it is not the talks in Paris, in New York, or in Jakarta that will do it; those who can do this are the Cambodian people. Let us make it clear this way. It is not the UN resolutions which can dissolve an administration and set up a new government; it is not the meeting among 12 Cambodians of the SNC. Only the people's elections can decide what to dissolve and what to set up. This would be in accordance with the Cambodian people's right to self-determination. We would like to stress that Cambodia's internal affairs will be decided by Cambodian parties, by the Supreme National Council. Cambodia's sovereignty should be respected. We accept a UN role in a solution to the Cambodian problem but this should be in accordance with the UN Charter and a country's sovereignty. The power granted to the United Nations should be bestowed by the SNC."

"Right now, we are making efforts but we do not know when there will be peace. Our best choice is to continue along the path chosen by the party and government." "On this occasion, I appeal to compatriots and the entire armed forces to heighten their vigilance and thwart attempts and every form of enemy military adventures. We have stressed that no matter what, no matter how perfidious the enemies are, the Cambodian situation is not reversible." "We appeal to the other Cambodian side to think again, particularly the so-called non-Pol Pot forces but which have allied themselves with Pol Pot. Officers and troops in enemy ranks should think again. They are now fighting against their own nation, families, and people." "We should further strive to build strong armed forces to win over the enemies who are trying to come back through military means." "Even without a political solution, we should move forward despite difficulties." [end recording]

## Red Cross: Opposition Forces Kill 9 Civilians

*BK2202090091 Hong Kong AFP in English 0834 GMT 22 Feb 91*

[Text] Phnom Penh, Feb 22 (AFP)—Resistance guerrillas killed at least nine civilians in a deliberate attack on a displaced persons camp in northwest Cambodia, an International Committee of the Red Cross (ICRC) official said here Friday. Suspected members of the non-communist Khmer People's National Liberation Front (KPNLF) hit the Sala Krao camp in Beantey Meanchey Province shortly before midnight on Tuesday. The sizeable force of about 150 guerrillas, firing randomly with rocket propelled grenades and automatic rifles, killed at least nine people, the official said.

ICRC workers Wednesday morning evacuated 15 wounded from the camp, located a few miles (kilometres) east of the provincial capital Sisophon on the road to Siem Reap. A military post just a few hundred yards away was untouched in the attack, which the official described as "deliberate" and "fairly violent." "It's clearly a civilian camp that could not be mistaken for a military target," he added.

Observers said that other camps for displaced persons had been hit by artillery but this appeared to be the first deliberate ground attack on such a target. The ICRC official said his colleagues, based at the Mongkol Borei hospital south of Sisophon, were told at Sala Krao on Wednesday that nine civilians were killed in the attack. The dead were hit by rocket propelled grenades and mutilated.

Residents blamed the attack on the Marxist Khmer Rouge faction of the three party resistance alliance. But the Khmer Rouge is not known to operate in the area around Sisophon and leaflets were left behind at the camp indicating that the assailants were from the KPNLF.

The guerrillas also torched piles of hay, blew up a small bridge one kilometre (half a mile) from the camp and stole property from civilians in the camp, the official said. The government had arranged for material assistance to be given the displaced people at Sala Krao, he added.

Aid workers here said the camp housed some 700 families or about 3,500 people and had been growing in recent weeks as people escaped a surge in fighting around Svay Chek further north near the border with Thailand.

## Say Chhum Chairs Agriculture Ministry Meeting

*BK2102034691 Phnom Penh Domestic Service in Cambodian 1300 GMT 20 Feb 91*

[Summary] On the morning of 20 February, a meeting was held at the Agriculture Ministry to sum up results achieved by units in cities and provinces nationwide in 1990 and to set targets for 1991.

Presiding over the meeting were Say Chhum, member of the party Central Committee Political Bureau and standing vice chairman of the Council of Ministers; Nguon Nhel, member of the party Central Committee Political Bureau and agriculture minister; Nhim Vanda, member of the party Central Committee and trade minister; Chea Chanto, alternate member of the party Central Committee and planning minister.

First Deputy Agriculture Minister Chhea Song read a report reviewing the achievements of various agricultural sectors despite problems caused by natural disasters. Speaking, Say Chhum highly praised the agricultural achievements in 1990 and called on the meeting to make efforts to achieve the 1991 targets.

## Kong Sam-ol Opens Seminar on Disaster Response

*BK2102063791 Phnom Penh SPK in English 0449 GMT 21 Feb 91*

[Text] Phnom Penh SPK February 21—A seminar on "Disasters Management and Response" was opened in Phnom Penh on Feb. 18, under the auspices of the Cambodian Red Cross, the Asian Disaster Preparedness Center of OXFAM [Oxford Committee for Famine Relief] and the Cambodian Development Resource Institute.

The seminar is scheduled for five days in order to find out measures aimed at security the socio-economic life of the war refugees in Cambodia. [as received]

In his opening speech, Kong Sam-ol, deputy prime minister of the State of Cambodia and president of the National Committee for Displaced People, warmly welcomed the presence of the representatives of international organizations and experts who [are] concerned over the destiny of some 30,000 families of war refugees following the attacks of the three Khmer opposition factions.

The participants will hear a report presented by the Cambodian Red Cross and debate a number of issues relating to the affairs of war refugees. They will also visit the camps in Kompong Speu Province to study concerned affairs on the spot.

## VODK Lists Conditions for General Elections

*BK2202064191 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 21 Feb 91*

[Station commentary: "Only By First Settling the Cambodian Problem Politically and Comprehensively Can Free, Democratic, and Just Elections Be Held in Cambodia"]

[Text] At the order of their Vietnamese masters, the puppets in Phnom Penh have recently shouted again and again about the so-called general elections. However, no one considers this talk about the elections as valid because it is clear that the current situation in Cambodia does not allow free, just, and proper elections to be held.

On this issue, Indonesian Foreign Minister Ali Alatas said that only when the four Cambodian parties agree and settle the Cambodian problem politically can general elections be held in Cambodia.

It is obvious that elections have never been held in a country with the presence of foreign aggressor forces. There are currently over 100,000 Vietnamese troops in Cambodia disguised and hidden among the puppet forces, with over 50,000 Vietnamese administrative staff hidden among the puppet state authorities. There are over a million Vietnamese settlers living throughout Cambodia. This is clear. Vietnam will not let UN forces, namely the UN Transitional Authority and the UN peacekeeping force, carry out an overall supervision in Cambodia. This is because Vietnam is afraid that these hidden Vietnamese forces will be uncovered. Vietnam has refused to dissolve the puppet state authorities and armed forces to be able to use them as a shield to cover the Vietnamese forces so that Vietnam can continue to occupy Cambodia.

Therefore, if Vietnam is still in control everywhere in Cambodia and if Vietnam and its puppets are the ones organizing elections in Cambodia, can these be called free and fair elections? It is obvious that Vietnam will presssure the Cambodian people and prevent them from voting for the patriotic ressistance fighters. Instead, hidden and disguised Vietnamese in Cambodia will certainly vote for the puppets, Vietnam's lackeys. As a result, Vietnam will continue to occupy Cambodia in accordance with its Indochinese federation strategy.

In order to hold general elections freely, democratically, and justly, the following conditions must be present:

1. No foreign troops on Cambodian territory. All types of Vietnamese troops and aggressor forces should be genuinely withdrawn from Cambodia under UN supervision.

2. Peace, security, and stability in Cambodia. All Cambodians should enjoy the same voting rights and freedoms.

3. A neutral political atmosphere with no parties dominating others, with genuine national reconciliation, and with no discrimination against various political tendencies, be they blue, red, black, or white.

4. Proper supervision by the UN Transitional Authority and the UN peacekeeping force to ensure that elections are genuinely free, just, and fair.

These are necessary conditions for general elections in Cambodia. To have these conditions, it is necessary to settle the Cambodian problem politically and comprehensively in accordance with the 28 August 1990 framework document of the five permanent members of the UN Security Council and the 26 November 1990 draft agreement of the United Nations Security Council five permanent members and the cochairmen of the Paris International Conference on Cambodia. This is why people clearly realize that Vietnam should be pressured into attending the session of the Coordinating Committee of the Paris conference on Cambodia to settle the Cambodian problem politically and comprehensively in accordance with the above two documents. Once the Cambodian problem is solved politically and comprehensively in accordance with the UN plan and with all Vietnamese troops and aggressor forces withdrawn from Cambodia, the Cambodian people will enjoy their rights and freedom to decide their destiny themselves through free, just, and democratic elections under proper UN supervision.

## Indonesia

### PLO's Qaddumi Insists on War Settlement Linkage

*BK2202101691 Jakarta ANTARA in English 1107 GMT 20 Feb 91*

[Text] Jakarta Feb 22 (OANA-ANTARA)—The non-Arab forces currently deployed in Saudi Arabia should only protect Saudi Arabia as they had claimed before, instead of attacking Iraq, Palestinian Foreign Minister Faruq Qaddumi said at the Palestinian Embassy here Friday.

The conflict in the Gulf must be left to the Arab League to solve, the minister said at a press conference ending his four-day visit to Indonesia.

Speaking at the foreign affairs forum organized by the Indonesian Foreign Affairs Department earlier in the day, Faruq Qaddumi also insisted that the Gulf conflict could be solved among the Arab countries and the current war must be stopped.

Qaddumi rejected to be seen as siding with Iraq. "We are not siding. But when an Arab country is being attacked, we are against the foreign's aggression," he added. The Palestinian Foreign minister said that his government has maintained good relations with all Arab countries without exception. He accused that the main intentions of the current war were to destroy the infrastucture of Iraq and to monopolize the Arab oil.

"We do not help Iraq, but it is Iraq who helps Palestine. Iraq does not need our help because it has modern weapons and over 1.5 million soldiers while Palestine is small and homeless," he said.

He also insisted that the peace efforts should include comprehensive solution to all problems in the Middle East, particularly the Israeli occupation of the Palestinian territories. By excluding the Palestinian issue, which is the main source of the troubles and instability in the Middle East, the tension will remain and probably break another war in the region, he said.

"Palestine is a common cause of Arab. It affects their life, destiny and future. And it even affect the Muslims around the world," he stated.

Anyone willing to have peace, should come to the source of the problems which is the Israeli occupation of Palestine and other Arab territories. He believed that the factors that could force Israel and its allies to accept the Palestinian linkage to the Gulf crisis were the international community's continued pressure, the public opinion and Palestinians' continued resistance against the Israeli occupation. The Palestinian issue must be solved within the framework of the United Nations and on the basis of the UN resolutions, he aded.

On the occasion, he repeated his call on the Non-Aligned Movement, which Indonesia is a founder, to reactive its effort to find a peaceful solution to the Middle East problems. He also expressed his deep gratitude to the Indonesian Government for its continued support to the Palestinian struggle.

President Suharto, when receiving Qaddumi, emphasised Indonesia's continued support including the financial assistance for Palestine through the UN body .

Palestinian Foreign Minister Faruq Qaddumi left Indonesia Friday with destination to Paris.

### Mineral Cooperation Agreement Signed With PRC

*BK2202111891 Jakarta ANTARA in English 1002 GMT 22 Feb 91*

[Text] Jakarta, Feb 22 (OANA-ANTARA)—Indonesian Minister of Mines and Energy Ginanjar Kartasasmita has said Indonesia wants to study China's experience in the development of mineral resources and geology.

Ginanjar—who signed a memorandum of understanding (MOU) with Chinese Geology and Resources Minister Zhu Xun—said that the two countries will step up their cooperation not only in the technical matters of geology.

"The signing of the MOU constitutes an initial step for the two countries to further enhance technical cooperation in other sectors such as in the economic and political fields which have been developed since President Suharto's visit to China some time ago," Ginanjar said.

The cooperation—which would enable Indonesia to send experts to study in China and receive technical assistance on geological projects from that country—is an opportunity for Indonesia to study China's experience in coal technology, according to the minister. Minister Ginanjar said that China which is the biggest coal producer country in the world had succeeded in converting coals into charcoal products for household need.

"We want to study the Chinese [words indistinct]," the minister added.

The Chinese minister during his week-long official visit in Indonesia will explore fields of business interest, Ginanjar said.

Zhu Xun said that in his address that the signing of the MOU is a correct step which has good future for the two countries to foster bilateral cooperation. The fields of cooperation as contained in the memorandum of understanding include general geology, metal and non metal explorations, hydrology, geophysics, [words indistinct].

## Laos

### Israeli Bombings of Southern Lebanon Denounced

*BK2202113591 Vientiane Domestic Service in Lao 0000 GMT 22 Feb 91*

[Text] On 20 February, a spokesman of the Lao Foreign Affairs Ministry issued the following statement: According to foreign news sources, on the morning of 6 February 1991 the Israeli Air Force launched heavy air bombing attacks against a Palestinian refugee camp in southern Lebanon. As in previous times, to cover up its evil and barbarous act on this occasion, the Israeli authorities have come out with many excuses, including the fabrication that the target of the attack is an al-Fatah military base which is situated in an area adjacent to Sidon, and the accusation that the base has been used to launch rocket attacks against Israel.

As is known, this was not the first time that Israeli forces have launched fierce and strong air attacks against the Palestinian refugee centers in southern Lebanon since they started launching attacks against southern Lebanon in 1982. Israel has always tried its utmost to take advantage of the difficult and complicated situation of the Persian Gulf war. The brutal and barbarous act of Israel against the Palestinian people is considered an arrogant breach and challenge against the feelings of peace- and justice-loving public opinion in the world. Moreover, the act has seriously encroached upon the independence, sovereignty, and territorial integrity of Lebanon which is an independent country and a member of the United Nations. It has also constituted a serious and undisciplined violation against international law and the UN Charter.

The government and entire people of Laos, who have always stood shoulder to shoulder with the various oppressed and intimidated nations in the world, strongly denounce the adventurous and absurd military operation of Israel on this occasion, and hereby demand that Israel completely end its criminal acts and strictly and urgently comply with the international law on foreign relations, UN charters, and various resolutions issued by the UN General Assembly on the Palestinian and Middle East problem, in particular Resolutions 338 and 242 of the UN Security Council as already recognized by the PLO.

### Khamtai Siphandon Attends Close of Goods Meeting

*BK2202095391 Vientiane Domestic Service in Lao 1200 GMT 20 Feb 91*

[Text] The first nationwide conference on the promotion of consumer goods and goods for export was closed with brilliant success this afternoon after a three-day session. The conference was attended by 235 participants including members in the party Central Committee Politburo and Secretariat, members of the party Central Committee, ministers, deputy ministers, representatives from ministries, committees of equivalent status, mass organizations at the center, 11 provinces, Vientiane municipality, state and private enterprises, and the Chamber of Trade and Industry.

The conference heard a report presented by Soulivong Dalavong, minister of industry and handicraft, on the production of consumer goods and goods for export during the past 15 years and the production direction and target in subsequent years. The conference also heard a speech on views and suggestions delivered by Comrade Kaysone Phnomvihan, general secretary of the party Central Committee and chairman of the Council of Ministers of the Lao People's Democratic Republic.

The conference enthusiastically reviewed and assessed the past achievements, shortcomings, and their causes in the implementation of the lines and policies of the party and state and studied views presented by the general secretary and chairman of the Council of Ministers. [words indistinct]

Addressing the closure of the conference on behalf of the Council of Ministers, Comrade Khatai Siphandon, member of the party Central Committee Secretariat, highly appraised the success of the conference and praised the participants who had frankly expressed their opinions during the discussion on the problems of the industry and handicraft work and made efforts to seek ways to find solutions to further develop the production of consumer goods and goods for export.

## Philippines

### Foreign Secretary Remarks on U.S. Bases Talks

*HK2202044591 Manila MANILA BULLETIN in English 22 Feb 91 pp 1, 24*

[Text] Foreign Affairs Secretary Raul S. Manglapus leaves tomorrow to meet with United States legislators and key Executive Department officials in Washington DC, to personally explain Manila's position in the ongoing negotiations over the fate of U.S. military facilities in Philippines.

"I will talk to my friends at the Senate, the House, and State Department, the same officials I talked to in 1988," he said, referring to the Military Bases Agreement (MBA) he concluded with then State Secretary George Shultz when he obtained consent for the direct application of U.S. aid money to debt reduction.

He recalled that then treasury secretary Nicholas Brady had declared a U.S. treasury policy against the use of official aid money in any debt-reduction program for the benefit of debtor- countries before the 1988 International Monetary Fund meeting in Berlin.

Manglapus, however, succeeded in persuading the U.S. Treasury Department to reverse its policy, resulting in a $500-million reduction in the Philippine foreign debt.

The foreign secretary expressed optimism that he can convince American officials to accept the Philippine position to allow the U.S. continued use of the bases for seven years in return for $825 million compensation per year.

U.S. officials have offered less money for a longer period of 10 years.

The bases compensation package contains a debt-reduction program which calls for the use of base-related aid money to redeem part of the country's foreign debts. Substantial trade concessions and other non-cash forms of compensation are also being worked out to augment the cash components.

"I will again enlist the help of these friends of ours who supported us very effectively during the 1988 negotiations," Manglapus said.

Manglapus' first stop in the U.S. will be in Seattle to testify in the prosecution of a murder case against U.S.-based cronies of the late President Ferdinand Marcos.

#### Confidence

Foreign Affairs Secretary Raul Manglapus expressed confidence yesterday that the Philippine panel in the RP [Republic of the Philippines]-U.S. military bases talks can come up with a "package" that will be convincing to both Senates of the two governments.

Manglapus told a news conference, however, he cannot say that the Philippine upper chamber is committed to ratify a new RP-U.S. treaty.

The secretary briefed 16 senators on the progress of the base talks negotiations earlier at a breakfast meeting.

"I can't say the Senate is agreeable to anything... they listened, made suggestions, and reserved their constitutional right to make their stand known upon the discussion of the treaty itself on the (Senate) floor," he said.

On the other hand, he pointed out that the compensation package that the Philippines presented to the American government is "very reasonable," so there is no reason for Washington to reject it.

He said that out of the $825 million-a-year compensation proposed in the treaty until 1998, $400 million would be in cash and $425 for trade access and debt reduction.

Of the $400 million, $300 million will be floated in bonds to be bought by "sympathetic friends" such as Japan and Singapore, and purchased at concessional rates.

He said the two countries expressed willingness to support the Philippine debt buy-back plan.

## Senate Plans To Use Bases for Debt Relief

*HK2202045591 Manila THE MANILA CHRONICLE in English 22 Feb 91 pp 1, 9*

[By Johanna Son and Lito Zulueta]

[Text] A move emerged in the Senate yesterday to use the bases issue as an "ace" to get the United States to agree to substantial debt relief for the Philippines.

The idea was broached by Sen. Vicente Paterno during a briefing by Foreign Secretary Raul Manglapus, after a number of senators favored debt reduction as the best form of non-cash payment for use of the bases here.

The senators also chided the bases negotiators for backtracking on a previous position to take control of Clark after the bases accord expires on Sept. 16, 1991. Manila is now offering to extend the U.S. lease on both Clark and Subic for up to seven years.

Senate President Jovito Salonga observed that the Philippine position had been "eroded" since the last round of talks in December, adding that he would conduct a survey to gauge the senators' positions.

Paterno, along with his colleagues, are meeting with Manglapus and Finance Secretary Jesus Estanislao today to discuss ways to "use our ace which is the bases' in the debt negotiations.

"There is enough linkage between the debt and bases panel. It seems in the debt negotiations we're not using our ace, which is the bases," said Paterno, chairman of the committee on economic affairs.

Philippine bases negotiators have pinpointed three types of non- cash compensation in its offer of $825-million package for up to seven years' extension of the stay of the bases. These are debt reduction, such as through bond flotation, infrastructure and trade access, apart from $400 million in cash.

"Before it was the wrong time because the Philippines had not yet agreed to the seven-year period, but since we are now talking compensation, I think compensation should include debt reduction," Paterno said.

"Pag binawasan nila yung utang ng $200 million, di para na ring nakakuha tayo ng $200 million in cash," [If they will reduce the debt by $200 million, it is like getting $200 million in cash] he added.

Salonga said of Manila's seven-year offer: "I am not satisfied...We notice that there has been an erosion in the Philippine position."

In a related development, U.S. Ambassador Nicholas Platt said the relatively low compensation proposed by Washington for its military facilities here should be viewed in the context of a progressive reduction of their military presence in the region.

At the same time, the envoy appealed for understanding over the compensation package, saying the U.S. had a budget-deficit problem and was incurring "major expenses" in the Gulf war.

## Senate President Remarks on Bases Control

*HK2202102791 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 22 Feb 91*

[Text] Senate President Jovito Salonga said that if Clark Air Base and Subic Naval Base are not placed under the full control of the Philippine Government after 16 September 1991, the Senate will not approve any agreement on the military bases. Here is Cesar Chavez, DZRH Mobile Unit 9, with the details:

[Begin recording] Senate President Jovito Salonga stated that a new treaty between the Philippines and the United States in relation to the military bases would only be approved if the treaty specifically provides the Philippine Government with complete recovery of Clark Air Base and Subic Naval Base. In his press statement, Salonga did not indicate the date when the takeover would take effect, but the Constitution states that the bases agreement expires on 16 September 1991. Salonga said many senators are in favor of privatizing Subic Naval Base. It will be recalled that the U.S. Government has always insisted on retaining Subic Naval Base and being allowed access to Clark Air Base after the bases agreement expires on 16 September this year.

Meanwhile, Senator John Osmena warned President Aquino not to ignore his vote for any agreement in relation to the bases. Osmena said he will withdraw full support for the bases agreement extension if the compensation given by the U.S. Government for the use of the military bases is unacceptable. [end recording]

## IMF Approves $916-Million Loan Package

*HK2202045791 Manila THE MANILA CHRONICLE in English 22 Feb 91 pp 1, 9*

[By Arleen Chipongian]

[Text] The international Monetary Fund has approved a new $916-million loan package for the Philippines to shore up its troubled economy, Central Bank Gov. Jose L. Cuisia Jr. announced yesterday.

Of the amount, $385 million represents the credit line tied to the 18-month standby arrangement that will be released in seven tranches; $403 million for the compensatory and contingency financing facility (CCFF) and $128 million in additional emergency fund for "unexpected adverse developments."

Cuisia and Finance Secretary Jesus Estanislao said in a joint briefing that the IMF would immediately release $458.15 million. The initial fund release is composed of the full $403-million CCFF to help cover the country's surge in imports brought about by higher crude oil prices and the shortfall in export receipts. The amount of $54.9

million represents the first of seven tranches of the total standby facility of $385 million.

The IMF also approved a government proposal to allocate $13.71 million or 25% of every tranche to fund the country's debt-reduction program.

The $128-million emergency fund will be released in cases when the country's balance-of-payments position is adversely affected by such factors as high interest rates in the world market that could result in higher foreign-debt burden or higher crude oil costs.

Of the total loans of $916 million, only the $385-million standby financing facility is tied to the country's ability to meet the performance criteria set by the IMF.

These include programmed ceilings on base money, net international reserves, oil-price stabilization fund outstanding balance, public-sector borrowing requirement, ceiling on medium-term foreign exchange loans (1-5 years and 1-12 years) and short-term ceilings on foreign-exchange borrowings.

There will be two reviews on the country's economic performance by the IMF during the course of the 18-month standby program. These will be held in August this year and February 1992.

The IMF program is considered the "trigering factor" in the inflow of more foreign-exchange loans and grants as well as foreign investments.

There are some $760 million in foreign-exchange loans already committed to the country whose release had been deferred pending the approval of the new IMF program.

The approval of the standby program also assures the international donor community of the required IMF "seal of good housekeeping" for the country's economic program.

The 18-month standby program replaced the extended fund facility program which should have been in place from 1989-91. This was later abandoned by the country following its repeated failures to meet the performance criteria of the IMF.

Estanislao said the economic stabilization program, which aims to keep the Philippines on target economically by cuts on public expenditures, tax-reform measures and cuts on subsidies, drew strong support from the U.S. Japan, Germany, Italy, France and Britain.

Estanislao said the Philippines could avail itself of "anywhere between $2.3 billion to $2.7 billion" in bilateral and commercial pledges during the Philippine Assistance Program's second pledging session in Hong Kong starting Feb. 25.

Negotiations with the Paris Club for a rescheduling of approximately $1.4 billion in obligation will start probably in April, said Estanislao.

The finance official said the rescheduling would generate for the Philippines from $500 million to $600 million in savings.

### Korean Trade Commissioner on Growing Investment

*HK2202051991 Manila BUSINESS WORLD in English 22 Feb 91 p 2*

[By Andrew D. Magsambol]

[Text] The influx of foreign investments to ASEAN countries like Thailand and Indonesia, as compared to the trickle the Philippines is receiving now, may prove to be beneficial to the latter in so far as Korean investments are concerned.

In an interview with Business World, Jae Kuen Ahn, commissioner of the Korea Trade Center in Manila (KTC), noted that while the said countries are still cornering a bigger share of Korean investments in the region, the investment markets "are beginning to be overcrowded."

This, he said, will inadvertently benefit, if not yet, the Philippines, more so in the medium-term prospects when its economy had stabilized and the investment climate had improved.

Even Vietnam, touted to become an economic tiger soon, is not yet a threat to the Philippines at the moment as far as Korean investments are concerned.

This is in spite of the much-publicized economic liberalization the socialist country had embarked on to bring in foreign investors.

Mr. Ahn said based on feedback gathered from Korean prospectors, it will take time before investors from their country would flood in Vietnam because of several factors.

"Vietnam has a lot of things going for it. It is very aggressive in attracting foreign investors with their liberal investment laws. But the country has a problem with their infrastructure, and the legal system is not yet in place," he said. Vietnam's socialist economic system prevents it from encouraging free trade.

"The Korean businessmen that have gone to Vietnam feel that this is not the proper time yet to invest there," he said.

Korean interest in the Philippines, on the rise over the last few years, is expected to grow further in the next few years.

Deterrents to the faster growth of investments from Korea had been traced to the lack of local financing to foreign projects and foreign equity and land ownership restrictions.

Mr. Ahn said sectors identified as having the greatest potential are in the labor-intensive industries like the manufacturing field.

The KTC commissioner also said the feeback from the recently concluded Philippine International Trade Fair showed that joint ventures are being eyed in paper mills, chemical production, food processing and leather manufacturing.

From the Philippine end, import intersts from Korea were expressed in chemicals, machineries, construction materials, textiles and yarns and electronic components.

The total cumulative value of Korean investments in the country - has reached P [peso] 1.2 billion as of last year.

The bulk poured in over the last four years or after the installation of the new administration.

### Ramos Says Need for ASEAN Defense Cooperation

*HK2102142291 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 21 Dec 91*

[By Joan Gonzalez of Radio Patrol No. 21]

[Text] Defense Secretary Fidel Ramos cited the need for greater defense cooperation among the ASEAN nations. The Philippines is calling for stable defense cooperation, but it does not mean a military alliance with the armed forces of the ASEAN nations. He explained that the six member countries of ASEAN should cooperate in the economic, political, and defense areas. Ramos enumerated the proposals laid down by the Department of National Defense: first, to reshuffle high-ranking defense and military officials so they are acquainted with other tasks; second, to have a closer communications linkup; third, training exchange which would expand military knowledge; and fourth, technology transfer. The proposals were arrived at after speculations that the U.S. bases will be withrawn from the country.

President Corazon Aquino and Defense Secretary Ramos both agree to the gradual phaseout of the U.S. bases in a period of seven years, or up to 1998.

### Ramos 'May Join' LDP for Presidential Race

*HK2202121891 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 22 Feb 91*

[Text] Defense Secretary Fidel Ramos may join the LDP [Laban ng Demokratikong Pilipino-Struggle of Philippine Democrats] in April or May. According to a report, Ramos wants to run for president under the LDP. Here is an explanation by Congressman Ronnie Zamora:

[Begin recording] [Zamora] His plan is to join after a few months. I think his plan is not immediate but is likely in April or May.

[Unidentified reporter] What is the possibility of his being the LDP's standard bearer in 1992 and fighting against Speaker Ramon Mitra, Jr.?

[Zamora] I think if Secretary Ramos really has a plan, he should become a member first. Then, during the convention, he should fight. Then we just have to see the LDP members' advise and decision. I think he will be given good consideration because he has been in the government for a long time. There are people who he had helped. But we will see. It is difficult for us to say that he will be a candidate.

[Unidentified reporter] Personally, sir, who is your bet, Secretary Ramos or Speaker Mitra?

[Zamora] Ah, we have declared our support for the speaker long ago. [end recording]

### Spokesman Defends Aquino's Low Poll Rating

*HK2102141891 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 21 Feb 91*

[Text] Presidential spokesman Adolf Azcuna defended the low rating of President Aquino in the latest Social Weather Station survey. Azcuna said the survey result may not be realistic because it was done last year and under varied circumstances. According to him, the effect of the Middle East war greatly affected the respondents' replies. But he assured that the president will not belittle her low rating.

### Editorial Urges More Election Reforms

*HK2202050791 Manila PHILIPPINES DAILY INQUIRER in English 22 Feb 91 p 4*

[Editorial: "More Reforms Needed for Truly Clean Polls"]

[Text] Senate President Jovito Salonga has proposed major amendments to the Election Code aimed at "making and ensuring that these elections (in 1992) truly mirror and reflect our citizens' choices" for public offices.

The bill Salonga field last Wednesday would vest the Commission on Elections [COMELEC] with more powers to prevent fraud and control election spending. Specifically, its principal provisions would:

—Authorize the COMELEC to "summarily" abolish ghost barangays and precincts and remove prohibited propaganda materials.

—Limit the amounts political parties and candidates can donate to voters.

—Require the COMELEC to issue receipts for such donations.

The bill is assured of Senate approval as 19 other senators have signed up as co-sponsors. By their number and their quick endorsement, the senators underscored the necessity of correcting the infirmities of the Electoral Code. But nothing would be lost if they would take time to consider how the electoral process could be further improved to ensure the sanctity of the ballot and the integrity of its results.

The Salonga bill offers a good starting point by identifying basic flaws in the electoral process and proposing some remedies. However, it falls short of guaranteeing that the results of the balloting reflect the popular will, much less the free and enlightened choices of the electorate.

It may be asked, for instance, what measure, if any, is proposed to avoid a repetition of that outrage when administration congressmen in the electoral Tribunal Brazenly superimposed its will over that of Southern Leyte's electorate by ignoring all evidence of fraud and shamelessly voting to let Rep. Roger Mercado keep his seat? And whatever happened to the proposal to allow party representatives to be present at the canvassing of votes?

The Salonga bill also addresses the problem of overspending by limiting contributions and propaganda materials. This is at best a partial solution. With regard to propaganda materials, it can even be argued that they serve the utilitarian purpose of enlightening voters on their choices by making known the candidates' qualifications and their platforms.

A more basic reform is the elimination of vote buying, which has converted Congress into a millionaires' club and high office into the preserve of the elite. Because the wealthy can offer the highest price for the poor man's vote, people's faith in public officials is diminished. And perhaps more than power, this mockery of the democratic process corrupts public officials absolutely.

The Election Code limits campaign expenditures by a candidate to P [peso] 1.50 per voter. Yet, it has been estimated that a presidential candidate needs P1 billion for his campaign, while congressional candidates require up to P10 million. So where does the money go, if not to voters? And how come few if any have been convicted of this all-too-common election offense? If Congress could think of ways to enforce the rule on campaign spending, that would be a giant leap towards strengthening democracy.

Politicians, including those in Congress, surely know many other dirty tricks. That so few ideas are being put forward to frustrate or eliminate them hardly speaks well of our legislators' sincerity about effecting needed reforms in the electoral process. It won't provide any comfort to believers in democracy, but our lawmakers may have their comeuppance when they face dirtier fighters who know every trick in the book and more.

### Drought Damages P1-Billion Worth of Crops

*HK1902050791 Manila THE MANILA CHRONICLE in English 19 Feb 91 pp 1, 8*

[By Elizabeth Perez]

[Text] Drought ravaging most of the Visayas and Mindanao for three months now, have destroyed rice and corn crops worth more than P [peso] 1 billion.

The Department of Agriculture, in its latest drought situation report, said that 124,322 metric tons [mt] of corn valued at P560 million and 101,786 mt of rice worth P508.9 million have already been lost to the drought, bringing total crop losses to P1.068 billion.

Inevitably, the resulting shortage would mean price increases for rice and corn.

Moreover, the inability of the government to raise funds to increase rice subsidy for the National Food Authority's buying program and the opposition to such subsidy by the International Monetary Fund (IMF) will benefit grain traders and middlemen who would be able to corner a bigger share of the market.

At the same time, Agriculture Secretary Senen Bacani admitted that the price of government rice will still go up from P7.50 per kilo to P9 per kilo even if the government decidies to give the NFA a higher palay subsidy.

The agriculture secretary warned that NFA palay procurement would drop by 20% if President Aquino stands by her decision to maintain government palay subsidy at the current P1 billion a year.

"If we have to work with the same money, the NFA would have no choice but to buy less palay from our farmers," he said.

Last year, the NFA procured 534,704 mt of palay at the government-imposed support price of P6 per kilo.

The grain agency, however, has been incurring massive financial losses—about P3.81 for every kilo of government rice that it sells at P7.50 per kilo—and proposed last week that the retail price of NFA rice be increased by P1.50 per kilo to P9.

"The more we procure, the more losses we will incur," an NFA official who requested anonymity said.

Last Friday, the President ruled out any increase in government palay subsidy because such a measure would only result in higher taxes in the long run.

Still, Bacani said he would continue asking for a higher NFA palay subsidy, adding that he would take his appeal to Congress even after it was virtually rejected by Malacanang.

Bacani said the increase in the retail price of NFA rice was also inevitable and "long overdue" because the government had decided to raise the support price of palay from P5 per kilo to the present P6 per kilo last October. "Every P1 increase in the support price of palay would have to entail a corresponding P1.50 per kilo increase in the retail price of NFA rice," he explained.

He did not say when the price increase would take effect or how much additional subsidy he would be asking.

Already 13 provinces in Mindanao and three provinces in Luzon—Cagayan, Isabela and Nueva Vizcaya—have been affected by the drought.

The agriculture department said Iloilo province was hardest-hit, with 25,868 ha of rice being completely damaged. Iloilo's rice production loss (in terms of rice) has been placed at 81,743 mt at an estimated value of P408.7 million.

The damage in Iloilo has been so massive that farmers yesterday asked Bacani for food assistance for the duration of the current drought.

Basilio Propongo, Kilusang Magbubukid ng Pilipinas (KMP [Peasants' Movement of the Philippines]) chairman for the Visayas, appealed to Bacani for a monthly supply of one sack of rice per family to tide the farmers over until the harvest season that starts in October.

Iloilo (population 1.7 million) is still reeling from last year's drought, which destroyed P355 million worth of crops, and from the ravages of super-typhoon Ruping last November, which left P602.9 million worth of crop damaged in its wake.

Earlier, the government declared a state of calamity in five provinces in the Visayas and Mindanao affected by the drought. The declaration will trigger the release of funds for cloud-seeking and promotion of energy-conservation measures.

### Honasan Followers Recruit Members in Bicol

*HK2002103891 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 20 Feb 91*

[By Restie de Quiros of Mobile Unit No. 8; italicized passages in English]

[Text] It was revealed to Philippine National Police [PNP] elements the extensive recruitment activities being undertaken by the men of renegade Colonel Gregorio Gringo Honasan in the Bicol Region, particularly in his home town.

Two days ago, the PNP captured one of the bodyguards of the rebel official in Sorsogon. Chief Superintendent Miguel Fontanilla identified the captive as Army Lieutenant Cristobal Zaragoza. Zaragoza, who has a 100,000-peso tag on his head is the leader of the regional expansion unit of Soldier of the Philippines Youth Bicol Region. He was detected by operatives while he was driving in his Toyota Corolla car together with his wife Jessica Saison.

With the capture of the mentioned rebel official, it was discovered that Honasan's group is recruiting members extensively in Sorsogon to augment the dwindling support for their movement. Fontanilla also said that other companions of Zaragoza were able to escape when the latter was captured.

[Begin Fontanilla recording] *In fact, we are not merely to disperse [word indistinct].* Calahati is from Camarines Norte. *It is always possible that from time to time, he'll visit his home province, particularly Baracal. I think he is from Baracal.* [end recording]

That, my friends was General Fontanilla who said that he also detected, or his men also detected, the presence of Commodore Calahati in other parts of Bicol Region.

### RAM-YOU Rebel Leader Captured in Sorsogon

*HK1902125391 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 19 Feb 91*

[Text] Joint forces of Sorsogon's Intelligence and Philippine National Police [PNP] captured a high-ranking leader of RAM [Reformed the Armed Forces Movement] and YOU [Young Officers Union] at 1400 this afternoon. The captured soldier was identified as First Lieutenant Cristobal Zaragoza, reportedly the right-hand man of renegade Colonel Gregorio Honasan.

Zaragoza, who has a price on his head of 100,000 Philippine pesos, was captured while eating in a restaurant located at the corner of Rizal and Burgos Streets in Sorsogon, together with his financier. He is now undergoing tactical interrogation.

### Military Arrests Rebel Soldier Leader

*HK2102094191 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 21 Feb 91*

[By Eloi Aquino]

[Text] A rebel leader who is a trusted courier and coordinator for the Soldiers of the Filipino People was arrested by military intelligence agents in Quezon City yesterday.

Armed Forces of the Philippines spokesman Colonel Juanito Rimando identified the rebel leader as Army First Lieutenant Orlando Tomas. He was arrested yesterday in the vicinity of the Angelicum Elementary School near the Santo Domingo Church in Quezon City. Tomas was driving a Toyota jeep with plate number BAJ401 when he was arrested by the authorities. He was alone and did not resist arrest. Tomas is known to be an ultra-rightist lieutenant involved in recruitment and destabilization activities by the Nationalist Army of the Philippines, previously headed by ex-Brigadier General Jose Maria Zumel and ex-Major Reynaldo Cabauatan, and by the dismantled Dragon Force Commando in Caloocan City:

[Begin Rimando recording] Lieutenant Tomas has been absent without leave since 1987, when he was supposed to report to the 54th Infantry Battalion in Cagayan Valley. He failed to report, hence he was classified as absent without leave. He was also involved in various coups and destabilization activities since 1987 until the time of his arrest. He was among those arrested by the Ilocos Norte Constabulary Command last 23 July 1974 [as heard] in the Siwawer Resthouses in Vintar, Ilocos Norte for violating Article 168 of the Revised Penal

Code, which is illegal possession of false Treasury or bank notes and other instruments of credit. [end recording]

The arrest of Tomas was the result of a continuous operation aimed at pursuing all ultra-rightist elements who are wanted by the authorities.

## Thailand

### Minister Remarks on Extending Air Rights Talks

*BK2202094791 Bangkok NAEO NA in Thai 21 Feb 91 p 7, 8*

[Text] Communications Minister Samak Suntharawet has expressed displeasure with the press criticism of his extending negotiation time on aviation rights with the United States by seven months after his recent meeting with the U.S. ambassador.

Samak said the U.S. ambassador called on him because he sought new negotiations after the previous talks broke down. Samak said he understood that six months of preparations are normal in the aviation business. He said we must understand and show sympathy to the fact that only one month is left before the 31 March deadline for the end of provisional aviation agreement. Damage will occur if negotiations could not be concluded. For this reason, an additional period of seven months has been given for negotiations. He said he was certain that as a minister he had the authority to express his opinion.

Samak said: "The official negotiation process will have to be carried out in the time remaining. Regarding the allegation that the minister overstepped his authority and it was improper for him and the ambassador to become involved, Samak said that was not the case and he did not make any decision. The existing committee will be performing the negotiations."

Samak said he carried out his action out of his belief that not only the communications ministry was involved. It was not that the Communications Ministry deserved praise for its ability to corner the United States. That would be incorrect. Other ministries—the Foreign, Agriculture, Commerce, and Industry Ministries—also have business with the United States. Therefore, we must be patient in the interest of all concerned.

According to Samak, he as the communications minister and the ambassador as the U.S. representative were not negotiating aviation rights. The ambassador was complaining that in the past the negotiators were speaking on different frequencies. Samak felt that with only one month left it was impossible to achieve anything concrete in aviation negotiations.

Asked if the composition of the negotiation committee should be changed in light of the change in negotiation policy, Samak said this remained to be seen, adding that this time the negotiation time has been extended to seven months but negotiations could actually be completed in two or three months.

Samak said: "We must view the whole picture, not just the aviation rights. We must be consider what we can compromise and what we cannot and also what we stand to gain. The Foreign Ministry is studying the whole picture to see what we should be negotiating for."

### Weekly Criticizes U.S. Behavior in Gulf War

*BK2202134991 Bangkok MATICHON SUT SAPDA in Thai 3 Feb 91 p 4*

[From the "With Best Regards" column]

[Excerpt] [Passage omitted] What is the military and poltical issue at present? The answer is the Gulf war. Although the Gulf war is an issue between Iraq and the U.S.-led allied coalition comprising 28 countries, there are Thai laborers working in the Middle East, such as in Saudi Arabia, Israel, and even Iraq. There are reportedly Thai laborers working as tailors for Saddam Husayn's family and as cooks for Saddam's presidential palace.

The United States, Saudi Arabia, Kuwait, Israel, Britain, and France have maintained good relations with Thailand while Iraq, the opponent of the United States and its allies, also has good relations with Thailand.

Although Foreign Minister Athit Urairat's statement reflected partiality in this issue, judging the overall situation, the Thai Government has never shown that it is not neutral in the Gulf crisis. Moreover, Prime Minister General Chatchai Chunhawan has performed well in this issue.

Is there anybody trying to cause trouble for Thailand? Yes, a certain country has been trying to cause Thailand to lose its neutrality. It sent aircraft on stopovers at the U-taphao airbase in Thailand, expressed thanks to the Thai Government, and pushed the government to make a hostile stand clear to the other side. It also released the news that Thailand is a logistics center of terrorism and even issued warnings, causing Thailand to become a target of terrorism, although Thailand has nothing to do with the war.

Whoever or whichever country is responsible for such actions seems to be trying to get Thailand involved in the war, as it happened in the Korean and Vietnam wars.

We wonder whether Thailand's "great friend" should exhibit this kind of behavior.

### Army Chief Opposes Debate on Assassination Plot

*BK2202020391 Bangkok THE NATION in English 22 Feb 91 p A4*

[By Kokhet Chanthaloetluk]

[Text] Army chief Gen Suchinda Khraprayun yesterday voiced his dispproval of a proposal by a government critic for an extraordinary Parliament session to debate on the 1982's alleged assassination plot case.

"There is no need to reconvene Parliament just to debate on an ordinary criminal case," he told reporters after a meeting with outgoing US Ambassador Daniel O'Donohue at the Army Convention Hall yesterday.

Suchinda also denied reports that Assistant Police [Pol] Director General Lt Gen Bunchu Wangkanon, who was his classmate at the Chunlachomklao Military Academy, would be on a team of military officers to participate in the police investigation into the alleged assassination attempts against leading public figures, including former premier Gen Prem Tinsulanon and former supreme commander Gen Athit Kamlang-ek.

Bunchu, who is facing police investigation for alleged insubordination in connection with the delay in handing over evidence gathered in previous investigations to the new team of police investigators, was early this week appointed by Supreme Commander Gen Sunthon Khongsomphong as adviser to the director of the Internal Security Command.

Suchinda said the army had appointed five officers, three of them legal experts and the others intelligence officers, to witness the police investigation.

He refused to comment on Bunchu's appointment.

"You have to ask Gen Sunthon. I understand he has said that he needs a senior police officer to advise him on the affairs of the Internal Security Command," Suchinda said.

Interior Minister Pol Gen Praman Adireksan had earlier questioned the legal standing of Pol Lt Gen Bunchu's appointment. He said that the appointment would become effective only if Police Director General Pol Gen Sawat Amonwiwat agreed to it.

Suchinda's comments came amid warnings by Sunthon and leading government critic, former PM's [prime minister's] secretary general Sqn Ldr [Squadron Leader] Prasong Sunsiri, against the possibility of "distorting" the evidence gathered in the previous investigations to help the suspects, including Maj Gen Manun Rupekhachon, a close aide of Premier Chatchai Chunhawan and the plotters of two abortive coups.

To clear the confusion on the case, the government last Tuesday decided to allow live broadcast of a House committee hearing on the case on Feb 27. But Prasong counter-proposed an extraordinary House session to consider the alleged assassination plots, charging that the committee hearing could turn out to be a drama.

Army spokesman Maj Gen Anuson Kritsanaserani yesterday denied rumours that army units in Bangkok and surrounding areas had been put on alert in response to Athit's appointment and the latest developments in the investigation into the alleged assasination attempts.

"The army regards the situation as normal and you can be assured that the army would not move (in response)," he said.

Speculation was rife yesterday that the armed forces were contemplating a coup d'etat and had put army units on alert.

### BANGKOK POST Views Debate

*BK2202020791 Bangkok BANGKOK POST in English 22 Feb 91 p 4*

["By POST reporters"]

[Text] The transfer of former Police [Pol] chief Gen Sawaeng Thirasawat; the "promotion" of Pol Lt-Gen Bunchu Wangkhanon; the widely-publicised revival of an investigation into alleged assassination attempts against national figures in 1982; the latest appointment of Gen Athit Kamlang-ek as Deputy Defence Minister...

All these key events have heightened political tension and intensified the prevailing mood of confrontation between the Government of Prime Minister Chatchai Chunhawan and the military top brass.

The details, reasons and intricacies of these events—whether connected or not—have certainly produced one concrete result: confusion among the public and uncertainty over the future of the political system.

Because of the sensitivity involved in the alleged assassination plots, full details have yet to be revealed. And one wonders whether the details will ever be revealed, or even whether they should be.

But for the moment, the key issue as far as both sides are concerned, is whether persons close to Gen Chatchai were allegedly involved or whether there was even an attempt on the life of a senior member of a high institution.

Both sides appear to have adopted a similar approach—using the testimonies of various alleged suspects to prove the point one way or the other.

Prime Minister Chatchai, who has apparently linked up with former Cabinet minister and currently Opposition member Chaloem Yubamrung, has made it clear that the case should be made public so that all doubts could be cleared. And this is supposedly to take the form of a live broadcast of a House Local Administrative Affairs Committee hearing on the issue on February 27.

The committee is scheduled to question top government officials, including former Central Investigation Bureau commissioner Lt-Gen Bunchu Wangkhanon, Interior Minister Praman Adireksan and perhaps even the Prime Minister himself.

Already, Capt Chaloem has given the public an inkling of what to expect on February 27, by announcing in Parliament yesterday that he had the testimony of two suspects allegedly involved in the assassination plots.

The suspects, while admitting that there were plans to assassinate former prime minister Gen Prem Tinsulanon [and] Gen Athit, have categorically denied there were plans against the life of a senior member of a high institution.

The Army, especially since the appointment of Gen Athit, has been quiet on this controversy.

But a senior military source who is in the opposite camp of the Young Turk officers, said that one key suspect—Col Bunsak Phocharoen—has been placed under protective custody of unidentified security men and is to be a key witness in implicating other young Turk officers for alleged involvement in the assassination plot against the third target.

According to the old investigation files compiled by Pol Lt-Gen Bunchu, Col Bunsak is one of the 43 defendants whose arrest warrants were issued in 1984 in connection with the alleged 1982 assassination plan to kill Gen Prem, Gen Athit and the third senior person.

A Young Turk source claims that Col Bunsak was "kidnapped" since early this month by a group of uniformed men "for political purposes" since his former classmates could not find him.

And even if he was being held in protective custody it would be against Col Bunsak's will and against the law, the source claimed.

But the senior Army officer who was aware of Bunsak's whereabouts denied that the colonel was kidnapped, adding that he is under protection and in a safe place because there were fears that an attempt may be made against his life owing to what he might disclose.

"His disclosure is very important to the case as he had revealed many important details about the assassination atttempt," this Army source said.

The source said Col Bunsak's disclosure has already been recorded on videotapes and some had been distributed to selected members of the public.

He added that details of Col Bunsak's disclosure may be distributed to the public soon to counter moves by the other side to claim that the assassination plot never existed.

Both sides apparently feel that there is justification for their actions.

Sources close to Prime Minister Chatchai say that the Prime Minister has been deeply disturbed by allegations that his son—Kraisak Chunhawan—was implicated in the plot against the third, respected public personality.

From the prime minister's perspective, the sources said, this was an attempt to discredit his family name, which is unimaginable, and aimed at eventually toppling the Government.

Political analysts have linked the revival of the assassination plot investigation with the transfer of Gen Sawaeng and Lt-Gen Bunchu, followed by the latest appointment of Gen Athit as Deputy Defence Minister.

Dr Suchit Bunbongkan, dean of Chulalongkon University's Political Science Faculty, agrees that the current political situation is tense and confrontational. But nonetheless, Dr Suchit, an authority on political military affairs believes that there is still time for reconciliation.

"I am very concerned about the situation," he said in an interview with the BANGKOK POST yesterday.

"Both sides should talk to each other and find common ground. If they don't, the (tense) situation will simply intensify and explode. I personally do not want to see this occurring because it could lead to the toppling of the Government.

"I believe that the situation can be resolved if both sides face each other and talk." The Government, he said, should still try to talk to the military.

Dr Suchit said there were a number of questions and doubts in the minds of the military top brass. Apparently uppermost was why did the Prime Minister decide to appoint Gen Athit as Deputy Defence Minister at this time?

Had Gen Chatchai appointed Gen Athit when he formed the Chatchai II coalition then it would not have appeared so unsuitable, Dr Suchit said. "But the timing now is not right under the current political situation."

The appointment, Dr Suchit said, raised questions in the minds of the military as to whether it is connected in some way with the assassination plot controversy. The academic said such suspicion was understandable.

Another lingering question in the minds of the military concerned whether the decision to transfer Gen Sawaeng and Lt-Gen Bunchu has any connection with the assassination plot investigation which had just been completed.

Sources close to Gen Chatchai have claimed, however, that the investigation had been used as a "bargaining chip" to obtain concession from the Government.

The Chulalongkon academic added that he believed the best way for the Government to resolve the current situation would be to ensure that justice takes its course—which he felt the Government was not doing by allowing the House committee testimonies to be broadcast live.

"The Government must ensure justice and not take sides. If the Government ensures that justice will prevail then the soldiers will be satisfied," he said.

He said the investigation into the alleged assassination plots was still underway and had not entered the courts.

"The attempt to bring out part or some of the evidence could be perceived as the Prime Minister taking sides," Dr Suchit said.

The issue could develop into an extremely emotional one and would have a considerable effect on the public which is already confused, he added.

Dr Suchit made it clear, however, that he would be "saddened" if the Army were to resort to using force. If that were to occur then both sides would be sorry at the end, realising that something should have been done to avoid a confrontational situation, Dr Suchit said.

### View of 'Looming' Government-Military Showdown

*BK2102003591 Bangkok BANGKOK POST in English 21 Feb 91 p 4*

[Editorial: "Time to Let Cool Heads Prevail"]

[Text] When two elephants clash, the grass under their mighty feet is trampled. So goes an old Thai maxim. Somehow, this old saying is making itself felt in light of a succession of disturbing events of late which are likened by political observers to a muscle-flexing contest between two elephants. There is serious concern that it is only a matter of time when the two collide head-on.

The spectre of a looming showdown between the civilian-government and military leaderships is casting a shadow over the domestic political scene which has already been rendered volatile partly by the economic fallout from the Gulf war. Such a prospect also gave many of us a rude awakening to the stark political reality temporarily obscured by a false sense of relief generated from all the smiles, giggles and sweet talk by our military top brass and Prime Minister Chatchai Chunhawan. The impression they give that some sort of reconciliation might have been worked out was, after all, an illusion which is as deceptive as a mirage in the middle of an asphalt road at high noon.

The dismissal of Pol Gen [Police General] Sawaeng Thiraswat as national police chief and the largely-ceremonial promotion of Central Investigation Bureau Commissioner Bunchu Wangkanon to assistant police director- general late last month—which at the time was thought to be aimed at bolstering the sagging image of the police force—have, unfortunately, turned out to be tantamount to opening a Pandora's box.

For the average man with fair judgment who has closely monitored the performance of the Crime Suppression Division [CSD], the removal of the two top policemen, especially Bunchu, was necessary to allow new CSD Commander Seri Temiyawet a chance to "clean up" the division and to improve its image tainted by abuses, excesses and corruption. But the abrupt transfer of Pol Lt-Gen [Police Lieutenant-General] Bunchu, a peer of Army Chief Gen Suchinda Khraprayun from Class Five of the prestigious Chunlachomklao Royal Military Academy, was viewed in a negative light. Libelous leaflets began to make the rounds in the city, implicating the Prime Minister's son and former Young Turk leader Manun Rupkhachon in an alleged assassination plot of key national figures in 1982. The Government was also accused of deliberately holding up the case to assist the suspects.

The controversy took a dramatic twist when Supreme Commander Sunthon Khongsomphong, in his capacity as director of the Internal Peace-keeping Force, ordered a delay in the handover of the investigation file to the new investigating team led by Seri. In a widely-publicised move, the general also issued a stern warning to the new investigation team against "distorting" the gist of the investigation previously conducted by Pol Lt-Gen Bunchu. Although Gen Sunthon might have acted in genuine good faith and out of his determination to see the culprits penalised according to the law, there was no need for a person of his stature to issue such a warning which could easily be misconstrued as an act of intimidation against the new police investigtion team. Given the impeccable record and integrity of Pol Maj-Gen [Police Major-General] Seri who was apppointed to head the probe, the Supreme Commander should be assured that the responsibility of clearing up the case, which for some mysterious reason had been held up for years, has been placed in safe hands.

What is disturbing about this entire episode is the thinly-veiled power play that is threatening to widen the chasm between the military and civilian leaderships and obscure the real issue at stake, which is the alleged assassination plot. It is also unfortunate that neither side is prepared to give an inch but rather, has continued to act in such a way as if wanting to tighten the noose.

In a looming confrontation like this, our only advice is for both parties to exercise self-restraint and reasoned judgment. It would be damaging to all parties concerned if the two "elephants" decide to stage a battle royale since political instability would set in, business confidence would be undermined and the larger public interests would be at stake. So all the oblique muscle-flexing exercises should be put to rest so that the police investigation team can proceed with its vital task of clearing up all doubt and suspicion surrounding the alleged assasination plot.

### Dailies Comment on New Deputy Defense Minister

*BK2202122391*

[Editorial report] Two Thai language dailies—SIAM RAT and NAEO NA—on 22 February carry editorials commenting on Prime Minister Chatchai Chunhawan's appointment of General Athit Kamlang- ek as deputy defense minister concurrently with the post of deputy prime minister, which he already holds .

SIAM RAT's 600-word editorial on page 8, entitled "Deputy Defense Minister," welcomes the appointment which was announced on 20 February. It says: "The appointment of Gen. Athit to such a position of significant political and military bearing reflects the trust given to him by Gen. Chatchai. Chatchai has never named a deputy defense minister since becoming prime minister and defense minister concurrently." The only curiosity the public has concerning this appointment is why Chatchai chose a person from a party other than his own Chat Thai Party to serve as his deputy.

Chatchai said that he wanted Gen. Athit to help lessen his burden at the Defense Ministry. He hoped that the appointment will help speed up and improve the performance of the ministry. Gen. Athit himself must be happy with the appointment, as he has been a soldier all his life and is keen in military affairs. He started his career as an ordinary soldier and climbed to the top posts as Army chief and supreme commander. He therefore must be most appropriate for the task given him. "We welcome the new deputy defense minister, Gen. Athit Kamlang-ek, and hope that he will best perform his duties in the interest of the country, the people, and the military."

NAEO NA's 800 word editorial on page 4, entitled "A Risky Trial," states that the appointment of Gen. Athit as deputy defense minister "would create a political and military issue which could spark a conflict and lead to confrontation between the military and the government." The paper wonders why, of all people, Chatchai has chosen Gen. Athit, who is a controversial figure for that position. "One important factor is whether the new deputy defense minister will be able to work with the military leaders. What happened over the past 5 to 6 years can attest to that. Not only the Thai people, but people all over the world know about it," the paper says

As deputy prime minister in charge of national security, Gen. Athit is already loaded with responsibilities. Chatchai's reason for wanting Gen. Athit to alleviate his burden at the Defense Ministry does not carry weight. The editorial notes: "The move taken only makes us think that our government leader has something in mind and is determined to go ahead with it creating problems."

### Over 2,200 Khmers To Receive Thai Citizenship

*BK2002025191 Bangkok BANGKOK POST in English 20 Feb 91 p 6*

[Text] The Cabinet yesterday gave the green light to the National Security Council [NSC] to grant Thai citizenship to 2,236 Cambodians of Thai descent who fled to Trat province from Cambodia's Koh Kong during the period 1959-1977.

The NSC reported that Cambodians of Thai descent fled across the border from Koh Kong to take refuge in Trat in different waves.

They started in 1959, then during the war years between 1970-1975 and later during the genocidal rule of the Khmer Rouge between 1975-1977.

Most of these refugees had been granted Thai citizenship, but a total of 2,236 were left out.

Those who are entitled to Thai citizenship must meet the following qualifications.

They must speak and understand Thai, have had permanent residence in Koh Kong before arriving in Thailand and produce Thai relatives as guarantors.

They must also demonstrate loyalty towards Thailand and the Monarchy and must have been registered with authorities before November 15, 1977.

## Vietnam

### NHAN DAN Commentary Urges End to Gulf War

*BK2202101091 Hanoi Domestic Service in Vietnamese 1430 GMT 21 Feb 91*

[NHAN DAN 21 February commentary: "Chance To End the Dangerous Gulf War Cannot Be Missed"]

[Text] The Gulf war has lasted for more than a month. It is at a very serious juncture and can shift to a stage of a severalfold increase in ferocity with bloody ground battles, risking escalation both in size and intensity while the use of mass destruction weapons cannot be ruled out. Such a probable development of the situation runs totally counter to the aspirations of all nations.

Mankind does not accept the Gulf war because it is not a desirable exit for the complex and prolonged crisis in the region. Therefore, we see that it is mainly large segments of world public opinion that have always stressed finding a solution through negotiation. When the war broke out, the voice of reason reverberated throughout all continents demanding a quick end to the war and a return to the negotiating table in order to resolve the problems involved.

Many peace initiatives have been successively put forth by India and other nonaligned countries as well as by countries in the Gulf region such as Iran. Efforts in this direction became all the more vigorous when the war staged by the United States and its allies exposed all the more clearly its cruelty which caused unjustified losses to the Iraqi people and when everyone saw that the war has exceeded and continues to exceed the limits of the UN Security Council Resolution.

At this present very serious juncture, while the war can probably go on more fiercely and broadly, there are also signs indicating a possible end to the conflict and a return to negotiation. These positive signs are in Iraq's 15 February proposal and the peace plan recently put forth by the Soviet Union.

That Iraq expressed a desire to negotiate and accept the implementation of UN Security Council Resolution 660 on the withdrawal of its troops from Kuwait as well as the Soviet peace plan for an unconditional withdrawal of

Iraqi troops from Kuwait while maintaining Iraq's territorial integrity and discussing regional issues such as the Palestinian problem after the withdrawal of Iraqi troops, and so on, has won the sympathy of large segments of mankind. These are significant events that inspire hope.

Proceeding from their unswerving stand, our people have all along constantly called for a solution to the problem through peaceful means. Our people acknowledge and welcome the positive signs in Iraq's proposal and the Soviet peace plan.

We think that the Gulf war is escalating to a dangerous stage and it is time to resolutely end it in the interests of peace and common security. Such a chance has emerged. All nations demand that the chance cannot be missed. The stands of the sides involved might still differ but the most important and pressing matter is to end the war and sit down at the negotiation table to seek a satisfactory solution.

The first reactions of the United States and some of its allies against Iraq's proposal and the Soviet peace plan cannot help but worry the general public because they were negative. Do they think they have a monopoly on truth in interpreting the UN Security Council Resolution and the best way to implement it?

Washington and its allies have vociferously refused to concede and negotiate, saying that they will continue to accelerate the Desert Storm campaign. According to Western sources, they have already planned the establishment of provisional governments for both Kuwait and the Iraqi area to be liberated.

It is clear that the Gulf war is being accelerated and expanded for objectives beyond the relevant resolutions of the UN Security Council. This makes it unacceptable to all nations. We hope that reason and judiciousness will be the basis for the important decisions relating to the destiny of peace and the future of nations.

We earnestly and urgently call on the concerned governments and the UN Security Council to actively look into the peace proposals put forth by various countries to find a solution that ends the Gulf war before it becomes a tragedy for mankind.

## Army Paper Editorial on Soviet Army Navy Day

*BK2202075891 Hanoi VNA in English 0706 GMT 22 Feb 91*

[Text] Hanoi VNA Feb. 22—The existence and growth of the Soviet Armed Forces are a decisive factor for maintaining world peace and security over the past 73 years, says the army paper QUAN DOI NHAN DAN in an editorial today marking the 73rd Army and Navy Day of the Soviet Union (Feb. 23).

The paper says:

"The Persian Gulf war has once again warned the peace loving public against having any illusion about a durable peaceful future advertised by the imperialist forces. In the current complex international situation, the Communist Party and the state of the Soviet Union have, on the one hand to continue the process of disarmament and on the other, constantly pay attention to the building and strengthening of national defence potentials in defence of peace and security, thus ready to oppose any move aimed at breaking the military equilibrium in the world at present.

"The traditional Vietnamese-Soviet militant solidarity and friendship are continuously developing in the present new historical conditions. In the much-changing situation in each of the two countries as well as in the world, the political and military leaders of the two countries have always demonstrated their will to continue to consolidate and maintain the relations of mutual assistance and close solidarity between the armed forces of the two countries, in the interests of the independence of each country, and of regional and world peace and security."

Also on this occasion, General Le Duc Anh, minister of national defence, has sent a message of greetings to his Soviet counterpart, Marshal D.Yazov, expressed his confidence in the role of the Soviet Army and Navy as a worthy mainstay of the people and the Communist Party of the Soviet Union in defending socialism and the homeland of great V.I. Lenin and in contributing to the defence of world peace.

## Thai Minister, Japanese Envoy Visits Previewed

*BK2202015391 Bangkok THE NATION in English 22 Feb 91 p A2*

[By Kawi Chongkitthawon]

[Text] Hanoi—Vietnam attaches "great importance" to the upcoming visit of Foreign Minister Athit Urairat here next month, a senior Vietnamese official said yesterday.

Ho The Lan, Vietnamese Foreign Ministry spokesman, said that Athit's visit would be certain to promote friendship and mutual understanding between Vietnam and Thailand.

Lan said Athit and Vietnamese officials were expected to discuss the upcoming summit between Prime Minister Chatchai Chunhawan and Vietnamese Prime Minister Do Muoi.

"Vietnam and Thailand are actively preparing for the summit," she said, without elaborating.

The proposed summit was delayed when it was first scheduled at the end of last November.

Athit plans to visit Hanoi from March 7 to 9 after he ends a swing of ASEAN capitals. It will be his first trip to Vietnam.

Besides the issue of the summit, a diplomatic source said that both sides would discuss ways of facilitating businessmen's visits to both countries to boost trade cooperation.

The source said Thailand is keen to explore the possibility of entering into a joint venture in oil and gas exploration in southern Vietnam.

A Japanese diplomat will arrive here this weekend to hold talks with Vietnam on the proposed reconstruction plan for Cambodia, a diplomatic source said yesterday.

Yukio Imagawa, a senior Japanese diplomat, is scheduled to visit here from Feb 24 to 26, when he will hold talks with Vietnamese Vice Foreign Minister Tran Quong Co on the Cambodian conflict and the reconstruction plan, supported by Thaialnd and Japan, to rehabilitate Cambodia's airfields, highways and railroads.

Chatchai floated the idea in Bangkok last week as a way to break the current diplomatic deadlock and allow work on the reconstruction inside Cambodia to begin as soon as possible.

Imagawa, who serves as a charge d'affaires of the Japanese Embassy in Bangkok, is currently on a week-long visit to Cambodia to exchange views with Phnom Penh leaders on the plan, which will rebuild Cambodia's infrastructure in areas controlled by Phnom Penh and the resistance without waiting for a peace settlement in the Cambodian conflict.

All Cambodian factions, except the Khmer Rouge, have expressed their support for the initiative, with Thailand acting as a coordinator for other donor countries, including the United States.

### Seminar on Vietnam-Thailand Relations Opens

*BK2102152991 Hanoi VNA in English 1505 GMT 21 Feb 91*

[Text] Hanoi VNA February 21—A three-day roundtable meeting entitled "Vietnam-Thailand: Tradition and Modernity" was opened here this morning by the Vietnam Commission for Social Sciences.

The meeting, the first of its kind held in the country and financed by the Toyota Foundation of Japan, is attended by 23 Vietnamese and 10 Thai scholars and economists.

In their inaugural addresses, Professor Dang Xuan Ky, Chairman of the Vietnam National Social Sciences Institutes, and Phan Wannamthee, director of the Centre for International Research under the Institute of International Relations of Thailand, and head of the Thai delegation to the meeting, both expressed their wishes for further broadening of the existing relations between Thai and Vietnamese scholars.

The participants are expected to focus their discussions on Vietnamese-Thai socio-economic and cultural relations past and present and their prospective development.

Present at the opening ceremony were Nguyen Co Thach, vice chairman of the Council of Ministers and foreign minister and Thai Ambassador Surapong Jayanama.

### Report on SRV Detention of People Rejected

*BK2102120791 Hanoi Domestic Service in Vietnamese 1100 GMT 21 Feb 91*

[Text] Today 21 February, our Foreign Ministry's spokesman held a regular news conference. Large numbers of domestic and foreign journalists attended the conference.

Answering the question of a foreign journalist about a Western news report on Vietnam's detention of 27,000 persons or more in 1990, our Foreign Ministry spokesman rejected the report as a sheer fabrication.

In the past years, implementing the policy of comprehensive renovation, the process of democratization is also taking place vigorously in all activities of the society. The Vietnamese state has reasonably and justly settled all outstanding problems in the wake of war. Citizens' rights have been guaranteed adequately with every passing day. Large segments of world public opinion have recognized this truth.

### Vo Nguyen Giap Visits Packaging Complex

*BK2002120391 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 18 Feb 91*

[Text] On the occasion of the lunar new year of the goat, Comrade Vo Nguyen Giap, vice chairman of the Council of Ministers, visited and extended Tet greetings to cadres, workers, and personnel of the packaging production and export-import complex of the Ministry of Trade.

In an atmosphere of the early spring, General Vo Nguyen Giap conveyed his best wishes for a happy new year to all cadres, workers, and personnel of the complex and their families.

In 1990, the complex encountered numerous difficulties and ordeals due to new changes in the market mechanism. However, with a spirit of renovation and by closely observing the market situation, the complex was able to expand production to effectively support its export program. Embarking on 1991, the complex still cannot overcome all the existing difficulties despite the fact that it has officially been furnished with capital by the state.

General Vo Nguyen Giap urged the comrade leaders of the complex to ensure solidarity, concentrate intellect on the development of production, create sufficient employment for laborers, and constantly increase their income on the basis of the output and quality of products. He said:

Production and business must be responsive to market demands on the basis of closely observing the situation of the units producing export goods, and must ensure capital for intensive investment.

After touring a number of production workshops, General Vo Nguyen Giap visited the complex's nursery, where he extended Tet greetings to all the teachers and children and solicitously inquired about their health. He urged the comrade leaders of the complex to set forth good production orientations and pay attention to educating the country's younger generation.

## Dong Sy Nguyen Visits Agricultural Institute

*BK2002131991 Hanoi Domestic Service in Vietnamese 1100 GMT 19 Feb 91*

[Text] On 18 February, Dong Sy Nguyen, vice chairman of the Council of Ministers, paid a working visit to the Agricultural Project Planning Institute. Tran An Phong, director of the institute, briefed the vice chairman on the results of agricultural project planning work in the eight northern mountain provinces, on the status and orientation of the use of the still vast single- cropping areas in these provinces, and on production organization methods applied to the mountain areas where nomadic farming still prevails.

Dong Sy Nguyen exchanged views with agronomists on promoting intensive farming in areas where double-cropping are practiced, and on adding another crop to single-cropping areas by growing corn, plants to provide raw materials for the food industry, and subsidiary food crops. In areas of nomadic farming, the development of models of peasant households practicing agriculture in combination with forestry as initiated and successfuly expanded by the institute in some localities was considered as a step in the right direction in the implementation of Political Bureau Resolution 22 concerning socio-economic development in mountain regions.

## VNA Reports on Economy, Exports, Contracts

*BK2202091091 Hanoi VNA in English 0712 GMT 22 Feb 91*

[Text] Hanoi VNA Feb. 22—The export value of Ho Chi Minh City last month totalled 46 million rubles and 100 million US dollars. The main export lines were rice, coffee, aquatic products and timber.

Meanwhile, its import value was 74.4 million rubles and 72 million US dollars, consisting mostly of cement, fertilizer and electronic items.

—The Bien Hoa wool factory under the Ministrg of Light Industry has recently signed a contract to export 150,000 woolen coats to Japan, Poland, and the Soviet Union.

The factory has invested hundreds of thousands US dollars in new machines.

—Before the lunar new year festival, the Tan Binh vegetable oil factory exported 100 tons of oil to Hongkong worth 100,000 dollars.

Under the 1991 plan, the factory will export 7,000 tons of vegetable oil and 2,000 tons of peanuts to non-socialist countries.

## Australia

### Hawke on 'Uncertainties' of Soviet Peace Offer

*BK2202074491 Melbourne Overseas Service in English 0500 GMT 22 Feb 91*

[Text] Australia's prime minister, Mr. Bob Hawke, has in a written statement welcomed the Soviet announcement that Iraq is prepared to undertake a full and unconditional withdrawal from Kuwait. But, he says, the Soviet statement leaves significant uncertainties about the timing and mechanics of a cease-fire, arrangements to monitor an Iraqi withdrawal, and whether all aspects of the proposal would conform fully with United Nations resolutions.

The prime minister notes that work to refine the proposal continues between the Soviet Union and Iraq and a U.N. Security Council meeting to consider the Soviet proposal is expected soon. The prime minister concludes that he hopes agreement can be reached on arrangements under which Iraq will withdraw from Kuwait in full compliance with U.N. resolutions.

### Finance Minister: Lower Budget Surplus Expected

*BK2202073091 Hong Kong AFP in English 0712 GMT 22 Feb 91*

[Text] Canberra, Feb 22 (AFP)—Treasurer Paul Keating announced Friday the government only expects a budget surplus of 1.7 billion Australian dollars (1.3 billion U.S.) this year, compared with 8.1 billion dollars (6.4 billion U.S.) originally.

Mr. Keating, speaking to the Economic Planning and Advisory Council (EPAC), largely blamed the recession for the target shortfall. The budget was "performing its normal role of cushioning the impact of recession," he said.

Last month Finance Minister Ralph Willis said the government was expecting a four billion dollar surplus for the year ended June 30, about half the August budget forecast. The recession, which cut revenue by about 2.8 billion dollars (2.2 billion U.S.), higher tax refunds, the blocking of budget measures in the senate and extra January 1 tax cuts had pruned government revenue, he said. Extra unemployment payments of 400 million dollars (314 million U.S.), the Gulf war, a wool rescue package and "other minor decisions" had boosted government spending, he said.

Mr. Keating said the surplus would not be large enough to cover all maturing commonwealth bonds this year and the treasury planned a bond tender in April. The treasurer conceded the budget forecast of two per cent economic growth was unlikely now the economy was in recession. But he added, "if growth had been higher—if it had been in line with budget forecasts then inflation and the current account deficit would in all probability be a good deal higher than they are."

Inflation jumped to 6.9 per cent for 1990 after oil price rises boosted the December quarter consumer price index by 2.7 per cent but Mr. Keating has said he was confident inflation would fall this year. Mr. Keating told EPAC: "For the first time in nearly two decades we have within our grasp the chance to move to a low inflation growth path." He said he expected to better the annual current account deficit budget forecast of 18 billion dollars (14 billion U.S.), following the 28 per cent fall in the deficit to about 8.6 billion dollars (6.8 billion) U.S. in the six months to December 31, compared to the previous corresponding period.

## New Zealand

### Central Bank Issues 1993 Inflation Projections

*BK2202030891 Hong Kong AFP in English 1819 GMT 21 Feb 91*

[Text] Wellington, Feb 21 (AFP)—New Zealand was on course to achieving the government set target of 0 to 2 per cent inflation by the end of 1993, the country's central bank, the Reserve Bank, said in a half year statement here Thursday.

The bank also signalled it could accept lower exchange and interest rates, saying it "would not stand in the way of limited market pressures" for an exchange rate depreciation.

The inflation target had been ordered achieved by the end of 1992 by the previous Labour government, and was adjusted by the new national government which was elected in November.

The bank said prospects for achieving a target "without further monetary policy pressure" were good, with a continuing gradual fall in interest rates likely in the interim.

The bank noted that six months ago it had said depreciation was "required in order to improve the competitiveness of New Zealand industry."

"The recent reduction in domestic inflationary pressures suggests that the risks to inflation if some part of this adjustment came about through a depreciation in the nominal exchange rate are now somewhat less," the statement said.

But it also warned there was no scope for easing monetary policy to bring about a fall.

Bank Governor Don Brash told a press conference the bank had no "firm, fixed and irrevocable" target for the Kiwi dollar but did form views on what was appropriate for helping achieve the 0-2 per cent inflation target.

Following the statement the currency market responded by pushing the New Zealand dollar down to 59.80 U.S. cents, but soon afterwards it rose back to the level it has been trading at all week, 60.05c.

On the money market the key 90-day bank bill rate firmed slightly to 12.05 per cent but eased back as the market digested the bank's statement.

## Papua New Guinea

### Bougainville Receives Supplies, Rejects Food

*BK2202032891 Hong Kong AFP in English 2249 GMT 21 Feb 91*

[Text] Port Moresby, Feb 21 (AFP)—Bougainville militants accepted medical and fuel supplies but rejected food when the first provisions in 12 months reached Papua New Guinea's troubled province, newspapers reported here Thursday. Journalists aboard the MV Sankamap which landed Tuesday at Kieta on the island said the Bougainville Revolutionary Army (BRA) ordered the food to be returned to Rabaul.

"From the onset it was obvious that the BRA was in control of the show and made it clear that the decision on what to do with the supplies from the ship was theirs alone," THE TIMES OF PAPUA NEW GUINEA reported. It said the food which had been unloaded was ordered back on the ship which was awaiting orders on when to sail. "It was very tense on board the ship and armed BRA men kept very close watch on movements aboard the ship," it said.

Contrary to an agreement last month with Port Moresby, rebel commander Sam Kauona told reporters his men would not hand in their arms. "We will not surrender them, it will be like committing suicide," he said.

Bougainville leaders have said the clause in the Honiara declaration of peace relating to the surrender and destruction of BRA weapons was supposed to have been struck from the accord which allows for a multinational force to supervise the island.

In Canberra, visiting Papua New Guinea Foreign Minister Michael Somare formally asked Australia to contribute to a special fund for the rehabilitation of Bougainville. Sir Michael told Australian Prime Minister Bob Hawke and others at the opening of the annual Australia-Papua New Guinea ministerial forum he was optimistic about peace returning to Bougainville, the scene of a two-year secessionist war.

Port Moresby imposed a blockade on Bougainville after the BRA declared independence in May.

## Western Samoa

### Opposition Leader Wants U.S. Election Monitors

*BK2202030291 Hong Kong AFP in English 0149 GMT 22 Feb 91*

[Text] Apia, Feb 21 (AFP)—Western Samoa's opposition leader Tupua Tamasese Efi wants the United States to send a team to monitor April's general elections to ensure they are fair.

The United States Embassy Charges D'affaires William Francisco confirmed Thursday Tupua Tamasese had asked for details on how to arrange a visiting mission. Tupua Tamasese was unavailable for comment.

Western Samoa goes to the polls on April 5 in the first elections under universal suffrage. Previously only family heads known as Matai could vote. Tupua Tamasese's proposal followed talks here with visiting American Samoa Congressman Faleomavaega Hunkin and Congressman Donald Payne (D-NJ) where he asked for a visiting mission. He was advised to apply to the National Endowment for Democracy.

Mr. Francisco said Tupua Tamasese was also advised he could ask the U.S. Congress to pass a bill authorizing a mission but "it is normally difficult to move quickly through congress." Cabinet spokesman and Finance Minister Tuileapea Sailele said Thursday while election observers might not be a bad idea he wondered at the mechanics of going about it and how early it could be arranged.

He said under electoral reforms making all voters carry photo identification, irregularities and dishonesty would be limited. He said Western Samoa needed to have confidence in its own people to run the elections. "Samoans should trust their own people," he told a press conference. As of Monday just over 40,000 new voters had been registered, with 50,000 expected by the deadline of March 16.

So many Samoans are expected to travel from New Zealand to vote for the first time that both Air New Zealand and Polynesian Airlines are offering special fares and flights.